austin™

ANNUAL REPORT **2025**

Increasing revenue with global expansion

austineng.com

Global engineering creating innovative solutions that deliver productivity improvement.

contents

group overview

Austin Engineering is an ASX-listed engineering firm that designs and manufactures customised dump truck bodies, buckets, water tanks, tyre handlers, and other ancillary products used in the mining industry.

Using its IP, Austin partners with mining companies, contractors, and OEMs to create innovative design and engineering solutions that deliver efficiency and safety improvements in open cut and underground mining operations.

With a presence in the world's principal mining regions, Austin provides high-quality, cost-effective solutions, and a complete service through the product's life cycle, offering on and off-site repair and maintenance, as well as heavy equipment lifting and spare parts to our clients.

Austin's products can create more sustainable mining operations by delivering the lowest cost per tonne to end users, reducing fuel and tyre usage per material carried, and maximising profitability for our clients.

Headquartered in Australia, Austin has operations in key global mining areas across four continents. Austin's operations are located in Australia, Indonesia, the US, and Chile. The Company also has several partnerships for final equipment assembly and delivery, and parts manufacture, enabling greater customer reach across the globe.

our vision

- To be the global market leader in providing customised loading and hauling products to the mining industry.
- To provide the best engineering solution for broad product range, supporting open-cut and underground applications.
- To put the needs of the client and innovation at the core of our business, supported by world-class engineering, manufacturing and quality.
- To protect and enhance the long-term sustainability of the business through our environmental, social and governance targets, and supporting the communities around us.
- To remain at the forefront of new technologies and take an innovation-led approach to all aspects of the business.

Delivering returns for our clients, our people and our shareholders.

FY25 financial highlights[1]

Strong annual revenue and margin growth.

Revenue
$376.7m
up 22.2% from $308.3m

Order Book
$146.9m
down 21.3% from $186.7m

EBITDA
$41.7m
down 4.2% from $43.5m

Operating Cashflow
$2.6m

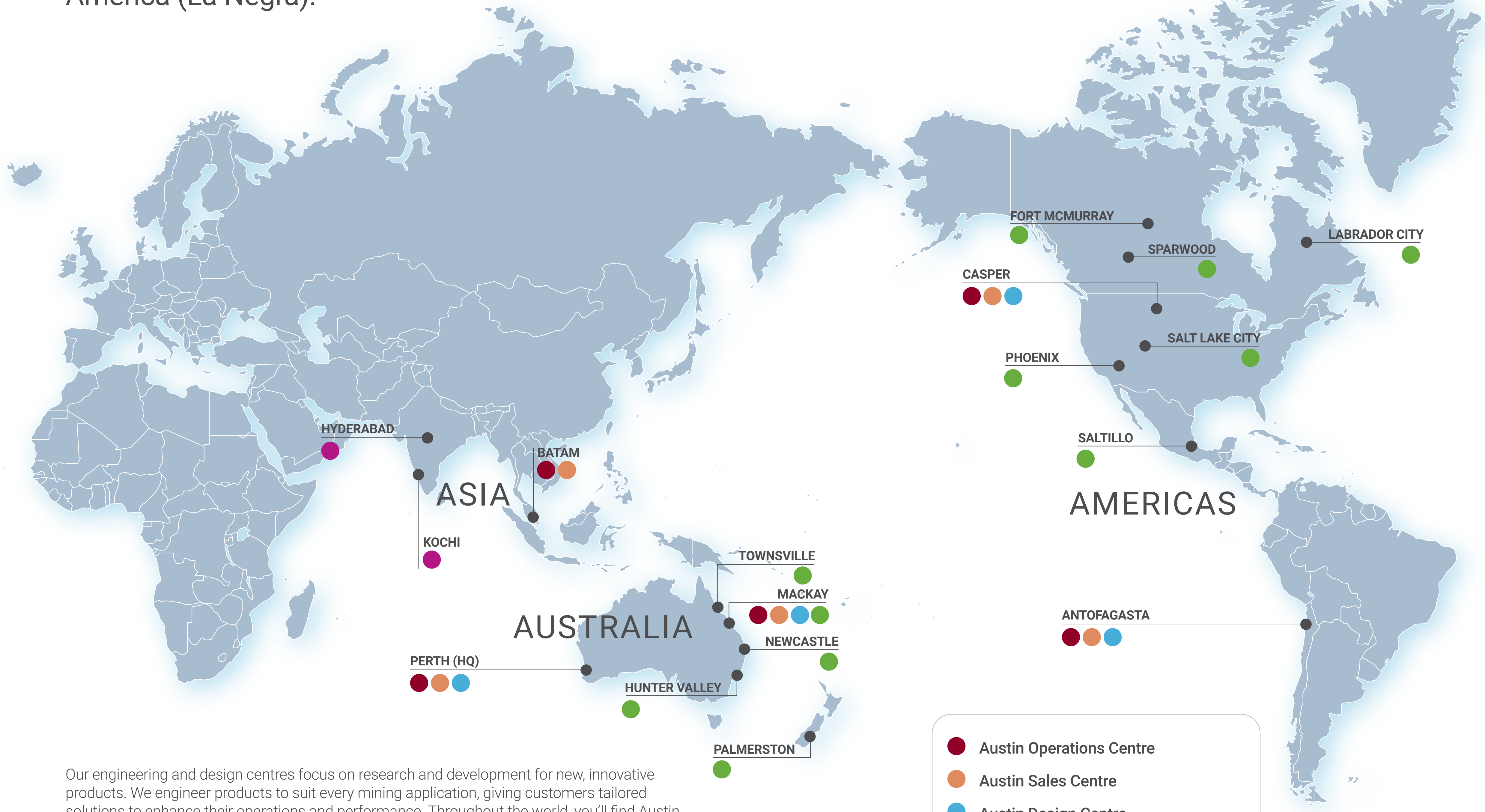
Net Debt
$12.8m

NPAT[1]
$26.3m
up 8.5% from $24.3m

1. Financial numbers are presented for continuing operations.

our global reach

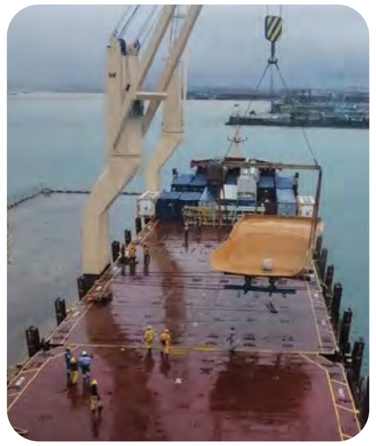
We are headquartered in Western Australia and have manufacturing sites located in Australia (Perth and Mackay), North America (Casper), Indonesia (Batam), and South America (La Negra).



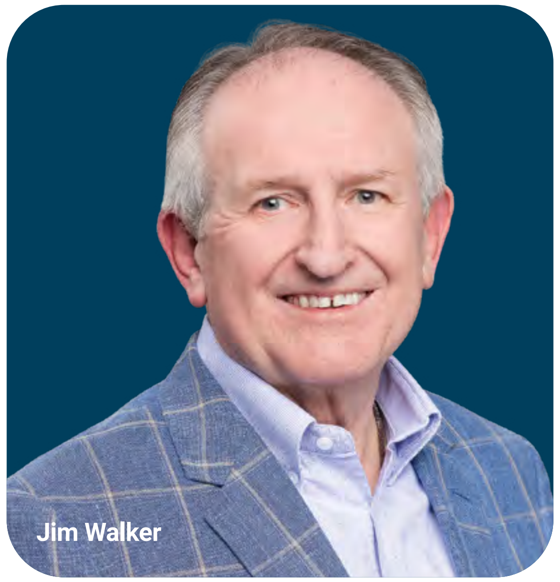
- Austin Operations Centre
- Austin Sales Centre
- Austin Design Centre
- Partner Operations Centre
- Sales/Supply Chain & Support Centre

Our engineering and design centres focus on research and development for new, innovative products. We engineer products to suit every mining application, giving customers tailored solutions to enhance their operations and performance. Throughout the world, you'll find Austin equipment hard at work, delivering results even in the most difficult and remote locations.

We have the largest global footprint of manufacturing facilities of any dedicated, customised, off-highway truck body and bucket provider, and an extensive global partner network to ensure the delivery of exceptional customer service.



chair's letter



Dear Shareholders,
On behalf of the Board, I am pleased to present Austin Engineering Limited's Annual Report for FY25.

This year, Austin's financial and operational performance has highlighted the strength of our business model and the capacity we have for further growth across our international operations. I am pleased to report another year of revenue growth across all our business units. Margin improvements have also continued, except for our South American business, where high levels of growth from a major new program reduced margins during a period of significant capacity expansion.

The advantage I see in the Austin business today is that it is now operating as a fully integrated company Our operational strategy has successfully connected our facilities to function as a truly centralised global firm. This integration has enhanced our ability to serve customers across regions and optimise our manufacturing capabilities. It has allowed us to capitalise on strong market conditions in regions like North America, which is a cornerstone of our global business.

It has also allowed us to quickly manoeuvre when needed, such as shifting Chile production to Batam when it was overstretched, and our ability to transfer some US production to Canada to shield the business from any US tariff impacts.

A significant change this year has been the appointment of Sy Van Dyk as our new Managing Director and CEO, who officially commenced in the role on 1 July 2025. Having served as a Non-Executive Director on the Austin Board for seven years, Sy brings both fresh perspective and valuable continuity to our strategic direction. His substantial resources and industry experience will be invaluable in driving our next phase of growth.

We are particularly pleased that David Singleton, who led the Company through a significant transformation, will continue to contribute his expertise as a Non-Executive Director. We also welcomed Ian Stone to the Board on 1 July 2025, further strengthening our leadership team. These changes to our leadership team ensure we have the right mix of experience and fresh perspectives to guide Austin through its next phase of growth.

We continue to embed environmental, social and governance (ESG) practices into our business. We are focusing on strengthening our safety reporting systems and controls across all sites. This will be a key focus area for FY26.

Our commitment to design innovation and sustainability has yielded significant results. In FY25, our High Performance Tray (HPT) range achieved a milestone of 500 trays in operation and on order. The HPT design delivers measurable environmental benefits through reduced steel usage, improved payload capacity, and

decreased fuel consumption, contributing to lower carbon emissions.

We're also proud to recognise our Austin Excellence Award Winners, Jamie Hall and Rick Reynolds, whose decades of service and leadership at Austin exemplify our commitment to engineering excellence and sustainable operations.

We continue to invest in our people through various initiatives. The launch of our new welding school in Casper, alongside our existing school in Batam, welcomed its first cohort of apprentices approaching graduation, demonstrating our commitment to developing skilled professionals.

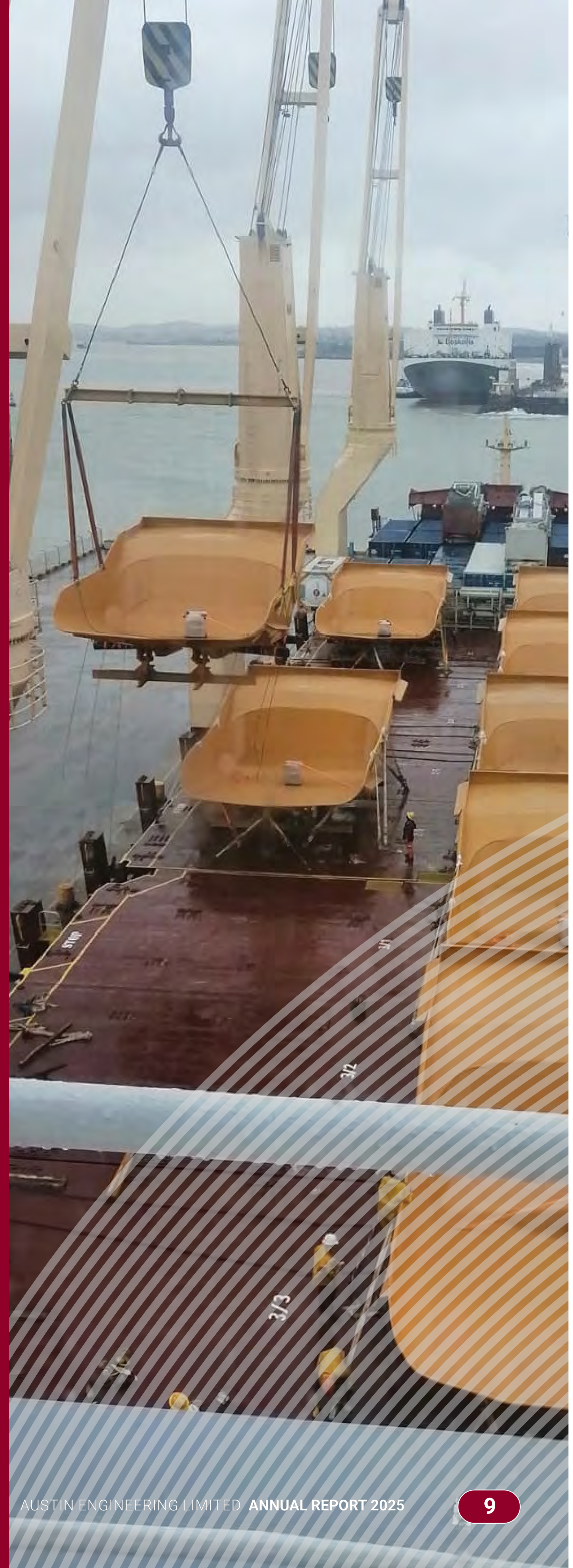
In Australia, our partnership with the Clontarf Foundation continues to help to support young Aboriginal and Torres Strait Islander men by providing education and employment opportunities. These initiatives, along with our enhanced leadership programs, reflect our dedication to building a strong, diverse, and capable workforce.

Looking ahead to FY26, we maintain a positive outlook for the mining sector and see continued demand for base metals and critical minerals supported by global economic growth and the global energy transition. We are building our order book, making operational improvements across our global network, and continuing our focus on engineering excellence to position us for sustained growth. We see opportunities to expand our market presence while maintaining our commitment to customer satisfaction.

On behalf of the Board, I want to thank our shareholders for their continued support and confidence in Austin's vision. Our leadership teams and employees' dedication to Austin have been instrumental in delivering these results. We look forward to building on our achievements and sharing our continued progress with you in FY26.

J. a. Walker

Jim Walker
Non-Executive Chair
Austin Engineering Limited



managing director’s report

Sy Van Dyk

I am pleased to present my first report to shareholders as Austin’s new CEO and Managing Director. I have been a Non-Executive Director on the Austin Board for seven years and I feel privileged to have the opportunity to step into the role and build upon the significant contribution made by David Singleton over his four-year tenure. I am pleased he will continue to offer guidance as a Non-Executive Director of the Company.

FY25 marked another year of growth for Austin as we concentrated on building sales and manufacturing opportunities across each of our business units. Our operational strategy has successfully connected our facilities together and make Austin a centralised and globally functioning firm. Customer Focus, Manufacturing Leadership and Product Leadership continues to be the strategy we are embedding.

I am pleased to report improvements in group revenue in FY25. Revenue was 22.2% higher year-on-year at $376.7 million. Revenue performance was supported by another strong year in our North American business unit, which generated 39.0% of FY25 Group revenue.

Group EBITDA was $41.7 million. Our profitability was impacted due to a large OEM contract causing start-up cost pressures at our Chile operations. To resolve the issue, in agreement with the customer, we have shifted some of the production to our Batam facilities.

In August 2025, the Company identified accounting errors in our FY24 Financial Statements related to our Chilean subsidiary, which involved incorrect revenue recognition for certain product transactions, and resulted in overstated FY24 revenue and profit figures. As a result, we have restated our FY24 Financial Statements to correct these errors. They can be found on page 61 of this Annual Report.

The accounting adjustments resulted in a $4.9 million decrease in reported FY24 revenue and a $3.9 million reduction in FY24 EBIT. Correspondingly, FY25 revenue rose by $8.3 million to $376.7 million and EBIT increasing by $5.1 million to $31.6million.

We would like to reiterate that the accounting error is isolated to the Chile business and is not expected to materially impact the Company’s financial position. However, we have sharpened our focus on processes and controls in that region and strengthened compliance and our cross-function communication to prevent similar errors in the future.

Regional Analysis

In North America, we have recorded significant revenue growth, from $95.5 million to $146.7 million, driven by a successful expansion of operations and capacity to meet increasing orders. Our newly leased facility located close to our main facility is now operational, and we have invested in our main facility at Casper. With the additional capacity in the USA in operation, our focus will be on improving plant efficiency, and we expect margin increases in the future.

The additional facility has supported Austin in shielding itself from impacts of US tariffs imposed on imported or counter tariffs. Austin was able to eliminate supplies from Mexico and protect itself from reciprocal tariffs in Canada by developing a truck tray sub-assembly supply chain route using Canadian contractors for sub-assembly builds. During the year we successfully built 15 truck body sub-assembly kits using two Canadian-based contractors. We are seeing an increase in orders in the Canadian market, which we anticipate continuing in FY26.

We have delivered rapid growth in the USA market, with a robust order book and increased capacity, and we are well-positioned to take advantage of the improving mining environment in North America.

APAC results were supported by an improvement in margins from 11% to 19%. This is a testament to the hard work and dedication of our team in driving improved profitability in the region. Despite initial expectations of a softer year, revenue for the region ended slightly ahead of FY24 at $173.3 million.

One of the milestones of the year has been the transition of our tray manufacturing operations from Australia to Indonesia, which is now complete and fully online. Further our APAC buckets business has improved.

In terms of steel inventories, we experienced higher-than-planned levels in FY25, but this position has substantially improved. The AustBuy business is now operational across Indonesia, Australia, and Chile and is making a strong contribution to profits.

In Chile, we recorded revenue growth, from $46.7 million to $56.6 million but, as mentioned, margins have been impacted by a strain on local capacity and inefficiencies. We are working to address these issues and improve performance in Chile, with a focus on improved efficiencies and reducing costs. This should be a short-term issue in Chile, which is servicing a large contract at a facility that has grown rapidly in capacity, capability, and output in the last few years.

From an internal systems and global workforce perspective, we have made noteworthy progress in implementing our CRM system. It is providing improved visibility and control over our operations. We have also invested in new finance systems, product design leadership, manufacturing leadership programs, built out our sales and customer support teams to drive growth, improve customer support and build our order pipeline.

As I step into the role of CEO and Managing Director, I am excited about the opportunities ahead for our business and working with our very competent global teams. In FY26, my initial focus will be to work with the team to identify further areas for growth in terms of existing market share and opportunities to push into new markets. I will also address the challenges we have faced in certain markets. Austin’s differentiator is its expertise in engineering and design. We are constantly improving our products to ensure customers are getting optimum performance and efficiency out of their equipment in any mining environment.

I am looking forward to seeing shareholders at November’s AGM, which will be my first as CEO and Managing Director.

Sy Van Dyk
Chief Executive Officer and Managing Director
Austin Engineering Limited

operational overview

FY25 was a year of continued growth, operational resilience and strategic progress set against a backdrop of challenging market and cost conditions. In spite of these headwinds, the underlying operational performance for the Group was strong and remained centred on our three pillars of Product Leadership, Customer Focus, and Manufacturing Excellence.

Product Leadership

Our austIQ condition monitoring software was launched in FY25 replacing, and improving on, our Mainetrack product. The system, which can be used on truck bodies and buckets, uses artificial intelligence to provide vital information on equipment condition to inform asset replacement programs. An advanced web-based platform developed using proprietary algorithms, austIQ will enable customers to maximise their asset performance and improve their maintenance planning.

austIQ utilises a specifically-developed array of information gathering pods that attach to the underside of truck bodies provides input to the austIQ system. These pods effectively enable the equipment to gather intelligence and report condition status of the truck body directly into the austIQ system.

Our High Performance Tray (HPT) range continued to see strong orders and deliveries globally in FY25. In April, we reached a milestone of 500 HPT bodies on order and in operation.

FY25 also saw the delivery and operation of an Armadillo high performance dipper bucket to a customer in North America.

The dipper was designed in Australia and manufactured in our Batam facility in Indonesia and exported to the US, demonstrating that Austin is a truly globalised delivery company today. Customer feedback was very positive, with the bucket performing to a high level.

The shift in tray manufacturing from Perth to Batam in FY24 has freed up capacity in Perth for more bucket builds.

Customer Focus

There has been a strong emphasis on developing new customers within Austin with the aim of strengthening recurring revenue for the Group.

Brand and product awareness has increased through global strategic marketing initiatives including attendance at key exhibitions and trade shows around the world during the year.

We have continued to grow our team of Product Service Managers (PSMs) who are in charge of our austIQ offering. The PSM team is present on customer sites to gather the input information for asset condition monitoring.

In order to further improve our service to customers, we have established a spare parts division within the Group. Austin products are now supplied with a full spare parts map comprising spare part numbers. Customers can elect to order parts through their PSM or online through the Austin website. FY25 has seen an increase of 12.8% year-on-year in Other Products sales, which includes spare parts, amounting to $42.6 million. This is a growing source of revenue, and a key value add for customers.

Manufacturing Leadership

Operational excellence initiatives continued delivering measurable improvements across our global footprint.

Improvements in engineering leading into manufacturing are part of a globalised initiative called *The Austin Way*. Process maps have been revised to ensure that the interface points across manufacturing cover all aspects of manufacturability including jigs, fixtures and tooling. Cost of manufacture is considered now as part of the design process.

There has been strong focus on Lean Manufacturing processes including rolling out training globally on the principles of Lean Manufacturing and how to implement them.

The basis of Lean Manufacturing is to increase productivity for Austin, value for our customers and to reduce waste. These efforts have improved safety, productivity and quality across the group. Production preparedness processes are in place prior to the commitment to any work to ensure that the facility has the necessary resources to deliver orders safely and successfully.

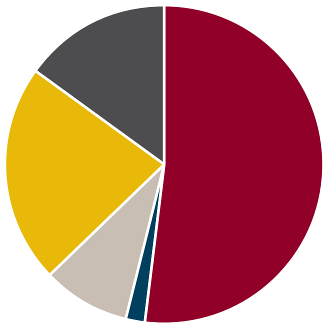
A Group Manufacturing Improvement Manager was appointed in FY25 to ensure a consistent approach to advanced manufacturing globally. Part of the remit of this role is to review and implement automated manufacturing where there are major gains in safety, quality, productivity and cost reduction.

In the USA and Indonesia, 'Kaizen-trained' teams led by tradespeople have saved over $300,000 while simultaneously improving safety and productivity in many areas. The USA business has invested in automated welding systems which provide safety improvements and considerable efficiency benefits.

Asia Pacific

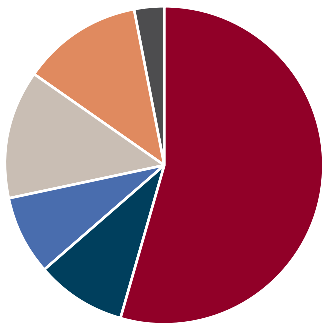
Asia Pacific ($ million)	FY25	FY24	Change
Revenue	**173.3**	166.1	4%

Revenue by Commodity:



Commodity	FY25	FY24
Iron Ore	**52%**	62%
Coal - Met	**2%**	6%
Coal - Thermal	**9%**	6%
Gold	**22%**	14%
Other	**15%**	12%

Revenue by Product/Service:



Product/Service	FY25	FY24
Bodies	**55%**	50%
Buckets	**9%**	17%
Chutes	**8%**	7%
Other Products	**13%**	12%
Shop Maintenance/Repairs	**12%**	13%
Other Services	**3%**	1%

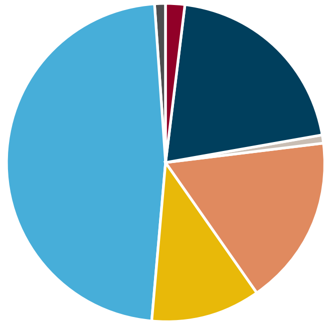
In FY25, Asia Pacific (APAC) operations accounted for 46% of the Group's total business revenues, amounting to $173 million.This figure represents a 4% increase from $166 million in the previous year.

The APAC region has continued to mature its delivery manufacturing capabilities.This consistency has enabled stable production quality, enhanced velocity and volumes from each of the three manufacturing facilities.

North America

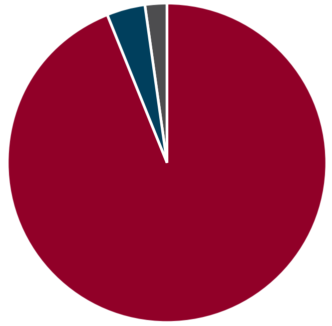
North America ($ million)	FY25	FY24	Change
Revenue	**146.8**	95.5	54%

Revenue by Commodity:



Commodity	FY25	FY24
Iron Ore	**2%**	-
Coal - Met	**20%**	24%
Coal - Thermal	**1%**	9%
Copper	**17%**	9%
Gold	**11%**	31%
Oil	**47%**	24%
Other	**1%**	3%

Revenue by Product/Service:



Product/Service	FY25	FY24
Bodies	**93%**	97%
Buckets	**4%**	1%
Other Products	**3%**	2%

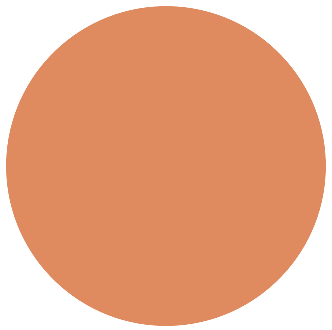
North America remained a high-performing site, generating $146.8 million, 39% of FY25 business revenue and a 54% increase from last year. All FY25 revenue came from repeat customers.

Due to US geopolitical factors and tariffs, a "Canada-for-Canada" strategy was implemented by November 2024 to protect North American revenue, especially in Canada which represents a significant portion of the North American revenue. The plan involved sourcing from Canadian build partners and steel suppliers for Austin products. Testing with fifteen units in November 2024 was successful. As of June 2025, US-to-Canada product pricing and costs remain unaffected, but Austin is prepared to adapt if needed.

South America

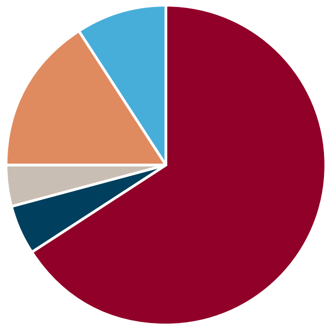
South America ($ million)	FY25	FY24	Change
Revenue	**56.6**	46.7	21%

Revenue by Commodity:



Commodity	FY25	FY24
Copper	**100%**	100%

Revenue by Product/Service:



Product/Service	FY25	FY24
Bodies	**66%**	48%
Buckets	**5%**	-
Other Products	**4%**	6%
Shop Maintenance/Repairs	**16%**	30%
Site Maintenance/Repairs	**9%**	10%
Other Services	**-**	6%

South America experienced significant changes in FY25. The business transitioned from primarily repair and rebuild operations to focusing on new build OEM truck bodies. Like the transitions previously observed in Batam and Perth, the Chilean business underwent major operational modifications.

South America reported $56.6 million in revenue, which represented a 21% increase compared to FY24 and accounted for 15% of the Group's total revenue in FY25.

financial review

Revenue grew across all segments

North America expansion drives Group revenue growth

APAC delivers higher margins

Group profitability impacted by South America

Austin achieved another year of solid performance, with higher revenues across all business units.

Austin North America's expansion drove revenue growth and solid profit contributions across North America and Asia-Pacific (APAC). However, South America delivered a full year loss, which reduced the overall Group performance.

Group's FY25 revenue from continuing operations rose 22.2% to $376.7 million, driven by higher tray sales globally.

FY25 EBITDA was $41.7 million from $43.5 million in FY24, a decline of 4.2%. The Group recorded strong performances from APAC and North America, while South America recorded a loss driven by the accelerated capacity expansion to meet the demands of a large OEM. The Group's financial results also reflected $12.6 million of one-off costs. These included investments in capacity expansion in the US and Chile to meet increased customer demand, improvements in operational systems, upgrades to HPT tray design, investment in mining expos, and inventory provisions for obsolescent materials, and business restructure.

FY25 NPAT from continuing operations increased by $2 million to $26.3 million compared to $24.3 million last year.

The APAC region achieved revenue of $173.3 million, a 4.3% increase from the previous year, delivering a FY25 statutory EBITDA of $32.7 million up 80% compared to FY24 statutory EBITDA of $18.1 million. The profit improvement was driven by Indonesia's manufacturing expertise and efficiency, AustBuy steel procurement and improved bucket performance in the second half.

North America reported a 54% increase in revenue, reaching $146.8 million, from the expansion of US manufacturing facilities, which contributed to a 48% rise in tray sales and increase in buckets sales. This has lifted EBITDA by 18.1% to $20.2 million, up from $17.1 million in FY24. The results include other income in Canada of $1.8 million. However additional expansion costs for new facilities and an inventory provision for obsolescent stock of $1.1 million saw margins decline against the prior year.

South America reported annual revenue of $56.6 million, a 21% increase from the previous year, with tray sales increasing by $22.4 million, while sales from services were down $14.7 million as the business focused on meeting the requirements of the OEM contract. The EBITDA loss was $2.6 million, down 126% year-on-year, due to the accelerated facility capacity expansion, affecting labour and steel productivity as the business learnt to build the new OEM products, that saw an increase in the workforce, use of contractors and material wastage. The expansion also stretched resources, which impacted the ability to deliver profitable products and repair work to the existing customer base.

Operating cash flow was $2.6 million compared to $35.5 million in the previous year. The decrease was predominantly due to a build-up of working capital inventory to meet the forward demands of Chile and APAC customers and the increase in trade receivables from the APAC and US sectors.

APAC inventory levels have reduced and are back at FY24 levels while Chile inventory levels remain elevated and are expected to decrease during FY26.

Trade receivables in Australia and the US increased due to a lift in production in the last quarter.

Net cash outflows from investing activities were $12.6 million, which included the purchase of plant and equipment of $8.7 million to largely support US expansion, and a final deferred Mainetec acquisition payment of $3.5 million.

Net cash outflows from financing activities were $11 million, which included dividend payments of $8.2 million, lease payments of $5 million and a net borrowing inflow of $2.2 million to support business growth.

The Group's cash position decreased to $20.1 million and increased the Group's net debt position to $12.8 million (excluding AASB 16 leases and acquisition deferred payments).

Product diversification

Austin's Group revenue was $376.7 million, a 22.2% increase compared to the prior year from strong US revenue growth following additional orders of trays across the region.

Product sales made up 89% of the Group's sales, increasing by 30%, with the growth from an increase in tray sales of 40%, which represents 71% of the Group's revenue, while bucket sales have declined by 19%, representing 6% of the Group's revenue. Other products increased by 13% as APAC increased its focus on spare parts, water tanks, representing 11% of the Group's revenue.

Services, comprising of repair and maintenance, declined by $8.6 million.

Customers revenue review

Mining customers represented 82% of the Group's revenue and grew by 37% on the previous year's revenue, with the largest customer contributing 28% of the Group's revenue.

OEM customers represented 8% of Group revenue.

Commodity revenue review

The Group's largest customer commodity markets remained iron ore, copper, oil and gold, representing 79% of revenue, from 76% the prior year.

- Sales to the iron ore commodity markets declined by 9% from the previous year, representing 25% of Group revenue, with most sales coming from Australia.
- Sales to the copper commodity markets grew 22% on last year, representing 100% of revenue in South America and 17% of revenue in North America.
- Sales to the oil commodity markets grew 18% on last year, representing 18% of Group revenue, with all sales coming from North America.

Sector product and services review

APAC revenue of $173.3 million, up $7 million.

- Trays accounted for 54% of sales, growth of $10.5 million (+12%).
- Buckets made up 9%, decreasing by $13.8 million.
- Other products represented 21%, increasing by $4.3 million.

North America revenue was $146.8 million, up $51.2 million, driven by a 48% rise in tray sales and increased bucket sales.

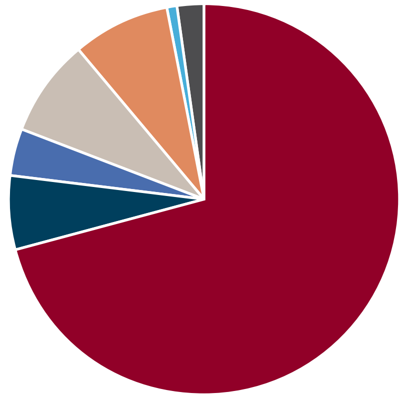
South America revenue was $56.6 million, up 21% year-on-year, due to 147% increase in trays sales that was offset by an 51% drop in revenue from services.

Composition of Revenue

		FY25	FY24	FY23
Truck bodies	$M	**268.9**	191.4	149.1
Buckets	$M	**23.9**	29.3	25.0
Other products	$M	**42.6**	37.7	50.0
Off-site services	$M	**30.2**	44.4	4.2
On-site services	$M	**5.4**	3.9	27.4
Other services	$M	**5.7**	1.6	2.6
Total revenue	**$M**	**376.7**	**308.3**	**258.3**

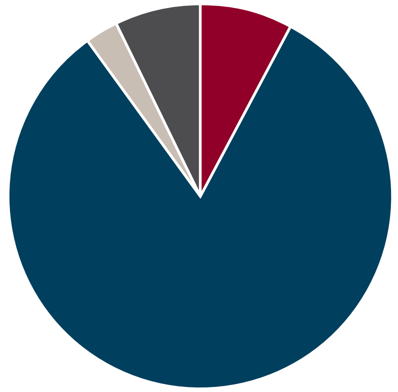
Revenue by products and services

Product/Service	FY25
Tray Bodies	**71%**
Buckets	**6%**
Chutes	**4%**
Other Products	**8%**
Shop Maintenance/Repairs	**8%**
Site Maintenance/Repairs	**1%**
Other services	**2%**



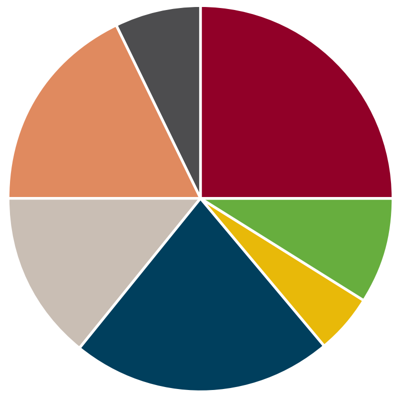
Revenue by customer

Commodity	FY25
OEM	**8%**
Miner	**82%**
Mining Contractor	**3%**
Other	**7%**



Revenue by commodity types

Commodity	FY25
Iron Ore	**25%**
Copper	**22%**
Gold	**14%**
Coal Met	**9%**
Coal Thermal	**5%**
Oil	**18%**
Other	**7%**



Overview of financial performance from continuing operations

Statutory	FY25	FY24	% change	
Revenue	**376.7**	308.3	22.2%	FY25 statutory EBITDA saw strong profitability in the APAC and US, while Chile traded at loss. NPAT improved with only the US and Indonesia incurring a tax expense.
EBITDA	**41.7**	43.5	(4.1%)	
EBITDA margin	**11.1%**	14.1%	21.3%	
Depreciation expense	**(8.6)**	(8.7)	(1.1%)	
Amortisation expense	**(1.2)**	(1.1)	9.1%	
Interest revenue	**1.5**	1.2	25%	
Finance Costs	**(3.7)**	(3.9)	(5.1%)	
Profit before tax	**29.6**	30.1	(1.7%)	
Net Profit after tax	**26.3**	24.3	8.2%	
Earnings per share (cents)	**4.29**	4.14	3.6%	

Austin's statutory FY25 EBITDA margin of 11% was down 3% on last year.

Labour costs, incorporating both Austin employees and third-party contractors increased as a percentage of revenue by 7% to the prior year, with increased third-party contract labour used in the North American and South American sectors. Expenditure on materials and consumables decreased by 5% compared to FY24 driven by a reduction in steel cost. Occupancy costs declined as a percentage of revenue growth.

Other expenses increased by $6.5 million from FY24 due to an increase in consultancy costs and travel costs.

Production operational expenses saw an increase in transport in the APAC and North America, and equipment costs in South America.

Other income of $4 million, includes the release of Canadian right-of-use asset impairment of $2.3 million from the sub-leasing of the property for the remainder of the lease term, as well as an increase in scrap steel income, and adverse movement of net foreign exchange losses of $1.5 million.

Depreciation and amortisation costs totaled $9.9 million, consistent with last year. An increase of $0.7 million in North America for equipment and right-of-use assets was offset by decreases in other regions.

Net finance costs decreased to $2.2 million compared to $2.7 million in the prior year.

Tax expense represented 11% of profit before tax with the US and Indonesia in a tax payable position.

Group net profit after tax in FY25 was materially impacted by Chile's financial performance, overshadowing the strong performance of APAC and US.

Continuing and discontinued operations

Financial Summary		FY25	FY24	FY23
Revenue	$M	**376.7**	308.3	258.3
EBITDA	$M	**41.4**	41.4	17.3
EBITDA margin	%	**11.0%**	13.4%	6.7%
NPAT	$M	**26.3**	22.2	2.8
Earnings per share	c	**4.23**	3.78	0.49
Diluted earnings per share	c	**4.15**	3.58	0.45

Investment in working capital lowered the Group's cash position

Operating cash flow decreased by $32.9 million to $2.6 million from $35.5 million in FY24. The decline is due to the poor cash performance of South America and APAC, offset by the strong performance of North America.

Cash flow from investing activities is a net outflow of $12.6 million, up $4.2 million against the prior year from the investment in the new North American facility and upgrades to the existing facility to meet increased customer demands.

The Group paid a dividend of $8.2 million during the year, an increase of $5.9 million compared to FY24 of $2.3 million.

Net debt, before considering property leases, increased by $22.4 million to net debt position of $12.8 million as of 30 June 2025, with a gearing ratio of 8.2%. The increase was to fund the working capital of Chile and capital expenditure to support the US facility expansion.

Cash of $20.0 million at the end of the period decreased by $20.2 million during the year.

Financial Summary		FY25	FY24	FY23
Cash flow from operations	$M	**2.6**	35.5	15.8
Net investment outflow	$M	**(12.6)**	(8.4)	(20.9)
Gross debt at end of period	$M	**(52.2)**	(46.0)	(55.4)
Cash at end of period	$M	**20.1**	40.2	20.1
Net debt at end of period	$M	**(32.2)**	(5.8)	(35.3)
Total gearing ratio	%	**18.3%**	4.7%	23.6%
Bank gross debt at end of period	$M	**(32.8)**	(30.6)	(34.2)
Net bank (debt)/ cash (excl. property leases)	$M	**(12.8)**	**9.6**	**(14.1)**
Bank gearing ratio	%	**8.2%**	0%	11.3%

Working capital increase of $29 million

Net working capital rose from $39.3 million to $68.5 million as of 30 June 2025 due to:

- Inventory increased by $12.8 million, due to North America work-in-progress from the growth in production, and South America increase in work-in-progress and raw materials to support the OEM contract.
- Trade and other receivables up $10.7 million, due to North American and APAC increase in production in the last quarter of the year.
- Trade and other payables declined $9.4 million from APAC and Chile due to the timing of the payments to major steel suppliers.
- Customer advance payments broadly in line with the prior year.

The working capital improvements are contributing to a positive cash flow position for the Company, with less working capital tied up in the day-to-day operations.

	FY25	FY24
Customer advance payments	**(23.5)**	(22.4)
Other payables	**(20.6)**	(18.5)
Trade payables	**(58.7)**	(68.1)
Other receivables	**87.9**	75.1
Trade receivables	**18.2**	18.6
Inventory	**65.2**	54.6
Net working capital	**68.5**	39.3

summary sustainability impact report

Our annual Summary Sustainability Impact Report reflects our ongoing commitment to environmental, social, and governance (ESG) practices across our global operations, which remain fundamental to our business strategy and core values. For more information, please refer to our standalone Summary Sustainability Impact Report 2025, which is available on the ASX and our website.

Guided by our Core Values, our fourth Summary Sustainability Impact Report demonstrates progress we have made to embed ESG practices into all divisions of our business across the globe.

FY25 has been a year of significant progress for our sustainability journey, marked by strategic operational improvements and innovative solutions that benefit our stakeholders and the environment. Our global team continues to demonstrate exceptional commitment to sustainable practices while maintaining our position as an industry leader in mining equipment solutions.

Our safety performance lagging indicators increased in FY25 reflecting in part, improved reporting of events using our newly developed reporting system. We have also established specific targets and objectives for each business unit and are focusing on ensuring we have controls in place to mitigate against safety incidents across our sites, and this is one of our priorities in FY26.

Our workforce diversity continues to strengthen, with increased female representation across both operational and corporate roles. While total female representation increased only marginally, we have reported a year-on-year increase in females in our workforce in most of our business units.

We've continued to run our apprenticeship and training programs creating pathways for skill development and future leadership opportunities within our organisation. This includes the opening of a new Austin welding school in Casper, Wyoming, from which the first round of apprentices has recently graduated.

Our engineering teams continue to advance our product innovation, particularly in developing lightweight solutions that reduce environmental impact. Notably, our High Performance Tray (HPT) range has now surpassed 500 trays in operation and on order. Our efficient design delivers measurable benefits, including reduced steel usage, improved payload capacity, and decreased fuel consumption, which contribute to lower carbon emissions per tonne of ore carried. Our welding spool recycling program has continued to grow over the past 12 months, with over 3.6 tonnes of plastic being transformed into new, usable materials, saving thousands of kilograms of waste.

Core Values

Our Core Values are integral to the working lives of our employees and operations.

integrity

We are honest, ethical and genuine.

We conduct our business in accordance with the highest standards of professional behaviour and ethics. We are transparent, honest and ethical in all our interactions with our colleagues, clients, business partners, shareholders and the greater communities in which we exist.

safety

First and foremost, always. It's in our hands.

Safety is the cornerstone of Austin's business and no work is ever too urgent or too important that we cannot take time to do it safely. Safety is a way of life; a choice that becomes an instinct.

quality

In everything we do.

We always strive to excel and set higher benchmarks. We take pride in providing the best value products and services that we stand by, ensuring client satisfaction and corporate profitability. Quality is what sets us apart and enables our sustainable growth.

innovation

Using technology to deliver for our customers.

It is our continued commitment to innovation that has brought us to where we are today. We combine mining and engineering expertise with patented technology to discover new ways to optimise safety and productivity.

accountability

We are responsible for our actions and results.

As individuals, or through teamwork, we are empowered to deliver based on our promises. We take responsibility for the work we provide, the decisions we make and the results we achieve. We honour our commitments and take ownership of working diligently and building stronger connections.

teamwork

Together we make the difference.

Our people are our most important asset and the key to our success. That's why we respect one another and consistently demonstrate integrity and commitment in our words and actions. We empower each other to be effective and efficient.

We were pleased to award Jamie Hall and Rick Reynolds an Austin Excellence Award in the year. Jamie has been a part of the Austin group for more than three decades. He has been key to Austin's growth and commitment to sustainable operations and was fundamental in leading the development of our HPT range. Jamie's commitment to the Austin mission makes him a well-deserving recipient of the award.

We are proud to have continued our partnership with the Clontarf Foundation throughout 2025, further supporting the mission of improving education, self-esteem, life skills and employment prospects for young Aboriginal and Torres Strait Islander men. This year we were proud to have Clontarf alumni Mitchell Mead join our Perth welding team. Clontarf's growth has been a significant success, with more than 11,000 young members benefiting from its mission, to which we are proud to contribute support.

Looking ahead to FY26, we will continue to further invest in sustainable manufacturing practices and innovative solutions that contribute to a more sustainable future for our industry and meet the ongoing requirements of our customers.

Our community engagement remains strong, with ongoing investments in local initiatives near our operational sites. These relationships are vital to our success and reflect our commitment to being a responsible corporate citizen in the communities where we operate.

sustainability snapshot

Austin is committed to integrating sustainability into every aspect of our operations and decision making. We understand and proactively manage responsibilities around the environment, our products, suppliers, and the communities in which we operate across the globe. This commitment is driven by Austin's Core Values, which are the core of our business and culture.

environment

- Austin manufactured its 500th tray in the high-performance range, which uses less steel, reducing fuel usage, tyre wear, energy use and GHG emissions.
- Austin recycled 94% of waste generated globally in FY25.
- GHG emissions managed through reduction of night shifts and increasing production efficiency.
- Recycling of metal by-products enabled through scrap deposit bins on all sites.
- Austin Perth's plastic welding wire spool recycling increased to 3.6 tonnes (from 1 tonne in FY24).
- Equipment health monitored with austIQ software, enabling more precision over replacement needs.

social

- Increased reporting and monitoring under our Critical Risk Controls program for SHE to address increase in safety performance lagging indicators.
- Total workforce increased by 12%, reflecting growth of the business.
- Female representation increased in most regions.
- Slight overall increase in female representation at 7.55% across total global workforce.
- Continued to offer apprenticeship, training and development programs to all staff globally, with 48 individuals participating, 37 being apprentices, while 11 were trainees.
- Launched a new specialised Weld School in Casper, Wyoming.
- Widened our sponsorship of Clontarf Foundation to support career pathways for young Indigenous men across Australia.
- Supported local communities near our operations through sponsorships and contributions totalling $75K in FY25, including:
  - Living Stone Foundation Inc t/a Lifeline WA - $50,000
  - Clontarf Foundation - $12,500

governance

- Ongoing reinforcement of the Company's Whistleblower Policy throughout the organisation.
- No breaches of laws or regulations were reported in FY25 and no matters were raised under our Anti-Bribery and Anti-Corruption Policy.
- Maintained regular engagement with key stakeholders to identify their priority ESG focus areas and guide our strategic direction.
- Continued updates to IT policies, procedures and practices, including those relating to company information usage, personal storage devices, IT systems and security.
- Cyber security training delivered to employees, where applicable.

environment

Austin demonstrates environmental stewardship through management and continuous improvement of our environmental impacts across all of our global facilities, operations, products, and corporate offices. Our carbon footprint monitoring and reduction initiatives are guided by industry best practices, regulatory compliance requirements, and stakeholder commitments.

Energy use

Energy use is calculated based on electricity consumption only and does not include the variety of welding gases that are consumed. Many of the welding gases are used as inert shielding gas that improves weld quality and are not generally consumed as part of the welding process. Small volumes of gas are used to preheat steel as part of the preparation for welding, however the combustion of this gas has not been captured. Changes in FY25 energy use are consistent with increases in production related to growth in global sales.

Global Energy Use	FY23	FY24	FY25
Total Energy Consumption (GJ)[1]	30,245	36,017	**39,032**

Greenhouse gas emissions

Our Scope 1 and Scope 2 emissions from energy sources that are controlled by Austin are shown in the table below. FY25 increases in greenhouse gas emissions reflect growth related production increases offset in part by outsourcing some aspects of production and energy reduction initiatives, such as replacement of the halogen globes with LED lighting in our Chile facilities. Manhours worked for FY25, a proxy for production, increased by 22% which compares favourably with the 15% increase in emissions.

Global GHG emissions	FY23	FY24	FY25
Scope 1 (tonnes CO_2-e[2])	2,394	2,967	**3,737**
Scope 2 (tonnes CO_2-e)	-	8,651	**9,671**
Total (tonnes Co_2-e)	-	**11,618**	**13,408**

Energy use and greenhouse gas emissions data for the majority of the business is actual for July 2024 to May 2025, with June 2025 being an estimate based on the average of the previous 11 months.

The greenhouse gas (GHG) emissions are assessed in accordance with internationally recognised methodologies, with primary reference to the GHG Protocol. Scope 1 emissions, representing direct emissions from owned or controlled sources, are measured using activity data such as fuel consumption records and financial invoices in conjunction with applicable emission factors. Scope 2 emissions, which pertain to indirect emissions from purchased electricity, steam, heating, and cooling, are calculated by applying either the location-based method-utilising monthly invoice data from July 2024 through May 2025 and estimating June 2025 usage based on average consumption, which incorporates country-specific emission factors. Relevant emission factors are generally obtained from the Greenhouse Gas (GHG) Emissions Calculator to ensure consistency, transparency, and accuracy throughout the reporting process.

case study

Driving innovation and efficiency with high-performance truck trays (HPTs)

Austin reached a significant milestone in FY25 with 500 High-Performance Truck Trays (HPTs) in operation and on order. This achievement underscores our commitment to delivering cutting-edge solutions that enhance mining efficiency and productivity on a global scale.

This achievement of 500 HPTs reflects not only our technical expertise but also our commitment to supporting mining operations worldwide.

Introduced in 2023, the HPT is our lightest and most advanced tray design to date. Engineered for durability in the toughest conditions, the HPT has proven its longevity through real-world mining operations, consistently driving payload efficiency for our customers worldwide. The trays demonstrate improved strength, weight, stability, and efficiency while reducing emissions and using less steel.

With over 14,000 trays built across our full product range, Austin continues to lead the industry in mining tray innovation. The success of the HPT is a testament to our dedication to providing solutions that not only meet but also exceed the evolving needs of the mining sector.

Material efficiency and waste management

Austin is committed to improving its environmental performance through proactive management of our environmental footprint and the implementation of sustainable business practices.

Our approach aligns with both our strategic objectives and the expectations of our stakeholders in the communities around our operations.

We operate under a comprehensive Global Environmental Sustainability Policy that guides our efforts.

This policy framework encompasses:

- Preventive measures to mitigate potential environmental impacts
- Strategic initiatives to enhance environmental performance
- Resource conservation programs
- Waste minimisation strategies
- Regular environmental impact assessments
- Community engagement and transparency

Under this we aim for continuous improvement of environmental management practices while supporting sustainable business growth and meeting community expectations.

Our Global Environmental Sustainability Policy provides detailed information about our environmental commitments and procedures.

Material efficiency and steel utilisation

We have implemented a circular economy approach in aspects of our operations, prioritising the direct reuse of materials over recycling whenever possible. Our steel management strategy aims to reuse materials from fabrication, maintenance, and repair activities, reducing the energy-intensive recycling process. In FY25, we achieved a circa 75% steel utilisation rate across our operations.

Innovative Recycling Initiatives

A notable achievement in FY25 was the expansion of our welding wire spool recycling initiative at our Perth facility that was commenced last year. Over FY25 we successfully diverted 3,600kg of plastic spools from landfill. These materials were transformed into alternative products, including

- Floor drains
- Mounting hardware
- Other industrial components

We are proud to have built on this initiative, which demonstrates a practical approach to circular economy principles and our commitment to reducing waste across our operations.

Waste management

We endeavour to reuse where possible to minimise metal recycling. For any waste metal by-products left over we are able to send it to recycle. Scrap deposit bins are allocated at all of our sites for recycling.

In FY25, we recycled 94% of the waste generated at our manufacturing facilities, including: ferrous metal, concrete (only limited amounts), timber, gyprock (occasionally), paper, cardboard, and plastic.

Under its current program, Austin recycles steel, concrete, timber, some plastics (including welding spools), paper and cardboard.

Global Waste Data Emissions	FY23	FY24	FY25
Total waste generated (Tonnes)	4,259	5,234	**6,101**
Waste recycled (Tonnes)	3,932	4,952	**5,717**
Waste Recycled (%)	92%	95%	**94%**

case study

Welding wire spool recycling program continues to grow

One way we demonstrate our commitment to sustainable practices is through our welding wire spool recycling program in Perth. Building on the success of its 2024 initiative, the program has shown further growth and impact in 2025.

The Perth operations facility generates over 12,000 plastic welding wire spools annually during manufacturing processes, equivalent to approximately 8,400kg of potential plastic waste. Previously, these spools, often containing residual welding wire, were destined for landfill, consuming valuable waste bin space and incurring additional disposal costs.

However, in partnership with a local Perth-based plastics recycler, we established a recycling program that transforms used plastic welding wire spools into new, practical plastic products. These products include plastic packers for Ute canopy installation spacers, plastic drainage grates, and packaging materials and components.

This circular economy approach has proven highly successful, with 3,600kg (3.6 tonnes) of plastic successfully recycled in 2025, which is a significant increase from 1 tonne in the in the inaugural year of the program in FY24.

The 2025 recycling efforts have delivered substantial environmental benefits through significant reduction in landfill usage, decreased land and water pollution, reduced energy consumption in new plastic production, and conservation of natural resources, including water, petroleum, and natural gas.

social

Austin is dedicated to the wellbeing of its employees and workplace safety while fostering an inclusive environment that allows our employees to grow their careers.

Our global presence spans Australia, Indonesia, North and South America, where we actively contribute to local communities through employment opportunities, supplier engagement, and strategic social investments.

GROUP OVERVIEW
CHAIRS LETTER
MDs REPORT
OPERATIONAL REVIEW
FINANCIAL REVIEW
SUMMARY SUSTAINABILITY IMPACT REPORT
RISK MANAGEMENT
DIRECTORS' REPORT
AUDITOR'S DECLARATION
FINANCIAL STATEMENTS
AUDITOR'S REPORT
SHAREHOLDER INFORMATION
COMPANY INFORMATION

Health and safety

- We have a comprehensive Safety, Health and Environment (SHE) program, which encompasses our commitment to ensure the safety and wellbeing of all our employees, contractors and site visitors.
- We are committed to sustainable business practices and social responsibility, creating long-term value for all stakeholders while maintaining the highest standards of safety and inclusion.
- As an engineering and manufacturing company, we insist that safety is everyone's priority and responsibility and ensure that staff are adequately trained and given the tools to ensure a safe workplace at all times.

Risk Management

We undertake daily safety protocols for employees, contractors, and visitors such as indications and daily toolbox meetings. We implement proactive hazard identification and mitigation strategies at all of our facilities. To measure SHE performance, we report monthly on the effectiveness of our SHE Critical Risk Controls and assess for continuous improvement. We also have monthly performance monitoring and reporting. Our LIFE Saving Controls are uses for serious injury prevention via reduction in exposure to hazards.

Our safety awareness training programs and daily safety checks, instil a safety culture in the firm. We also encourage employee-driven safety initiatives through processes and in some of the equipment we have engineered to make manufacturing safer. We also have regular safety performance recognition across our teams like our Safety Worker of the Month awards.

Health and safety performance

While we have improved our safety incident reporting lines in FY25, our Safety, Health & Environment (SHE) performance showed an increase on both our lagging indicators, LTIFR and TRIFR rates.

Throughout the year, we centralised safety reporting systems across the business from previous regional reporting systems and have significantly improved data collection around incidents and data analysis. We are focusing on safety improvements across our operations to reduce the risk of incidents. Reducing safety incidents and injuries is a priority for the business in FY26.

Snapshot of Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR)

Global Health and Safety	FY23	FY24	FY25
LTIFR rate (%)	1.7	3.0	**4.1**
TRIFR rate (%)	7.1	9.6	**13.3**
Waste Recycled (%)	92%	95%	**94%**

Product Innovation: Advanced tray stand solution

We constantly look for ways to improve safety features in our equipment and operations. In FY25, we developed an advanced tray stand system, significantly improving safety and efficiency in mining truck tray handling operations.

The new design eliminates the risk of uncontrolled movement associated with traditional trestles while enabling self-loading capabilities that remove the need for crane assistance during transport.

The system has delivered substantial cost savings through reduced equipment requirements and streamlined logistics. The design also enables pre-assembly work to be completed at our Batam workshop, minimising on-site installation time.

Operational advantages of the new design include enhanced safety through improved stability, elimination of crane requirements during transport, and reduced logistics costs.

The system's ability to support increased workshop pre-assembly capabilities and streamline the installation process demonstrates Austin Engineering's commitment to developing practical solutions that combine safety improvements with operational efficiencies for our clients.

Diversity and inclusion

We value the diversity of our workforce, and we are committed to creating a safe and inclusive work environment that reflects the communities we serve. We believe that diversity is essential to driving business success and a culture we are proud of that celebrates our differences.

The table below summarises our diversity objectives and progress towards achieving them as of 30 June 2025:.

Group	Actual 2023	Actual 2024	Actual 2025
Female Directors	20%	20%	**20%**
Female managers as a percentage of all managers*	23%	20%	**21%**
Percentage of female employees across the organisation**	6.70%	7.50%	**7.55%**

Community partnerships and investment

Austin maintains active engagement with communities near its operational facilities around the globe, and takes pride engaging with local communities through engagement and sponsorships that give back to the communities we operate in. We select community partnerships that both serve local needs and reflect Austin's Core Values, creating meaningful impact where we operate.

Austin provided monetary and in-kind support to several impactful organisations, including:

- Living Stone Foundation Inc t/a Lifeline WA
- The Clontarf Foundation
- Cancer Council of Australia
- WA Blind and Vision Impaired Golf Association
- Wyoming high schools educational outreach program (Austin-led initiative)
- City of Mills Summer Fest community event
- Boys and Girls Club of Central Wyoming

case study

Supporting career pathways for young Indigenous men

We were proud to continue our support of the Clontarf Foundation through an annual contribution of $50,000, supporting Clontarf's mission to improve education, self-esteem, life skills, and employment prospects for young Aboriginal and Torres Strait Islander men. The Foundation's network partners with 162 schools across Australia, reaching over 11,000 young Indigenous members.

Clontarf's staff mentor and counsel students on various behavioural and lifestyle issues, while partner schools deliver essential educational support. This integrated approach, combined with corporate partnerships, provides students with valuable exposure to professional environments and diverse career opportunities in the industrial sector.

While the partnership has a national scope, Austin Engineering focuses its impact on the Belmont and Swan View Academies in Western Australia and the Mackay Academy in Queensland. The company has implemented structured work experience programs and regular career development days across these locations. The success of this initiative is exemplified by Clontarf alumni Mitch Mead, who has successfully transitioned into a welding role at Austin.

Austin is committed to fostering a diverse and inclusive workplace across its operations globally and we are proud to support Clontarf as it creates meaningful employment pathways where Indigenous youth can thrive and succeed in their chosen careers.

governance

Corporate Governance

Austin is committed to upholding the highest standards of corporate governance — the cornerstone of stakeholder trust and confidence in our business.

The Company's 2025 Corporate Governance Statement reports on fundamental governance principles and practices. Throughout the reporting period ended 30 June 2025, the Directors believe that the Company's governance arrangements have been consistent with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board is ultimately responsible for approving and updating Austin's purpose, Core Values or mission statements, strategies, policies, and goals related to economic, environmental, and social topics. The Board is also the body that formally reviews and approves Austin's Sustainability Impact Report.

Whistleblower Policy

Austin has published a **Whistleblower Policy** on its website, in compliance with the *Corporations Act 2001 (Cth)*. The policy applies to all Directors, managers, and employees and ensures that the Board, via the Audit & risk Committee, is informed of any disclosures made under that policy.

No breaches of laws or regulations were reported in 2025. No matters were raised under the Anti-Bribery and Anti-Corruption Policy. The Company maintains a Group-level **Gift and Hospitality Register** in accordance with that policy.

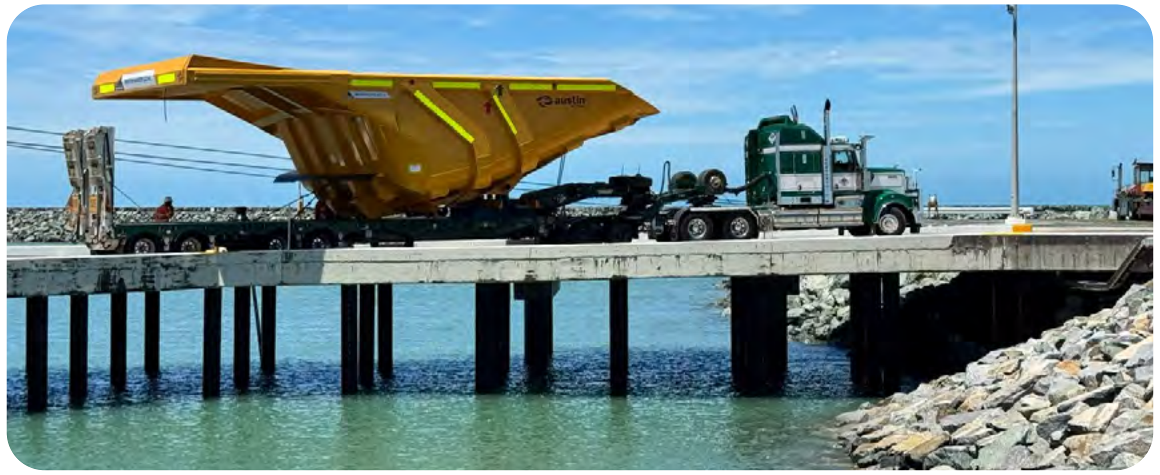
Business ethics and transparency

Integrity is one of Austin's six Core Values. Directors and employees are expected to act with integrity, accountability, and transparency at all times, guided by the **Corporate Code of Conduct and Anti-Bribery and Anti-Corruption Policy**, which are available on the Company's website https://www.austineng.com/

Cyber security

Austin maintains robust internal systems to safeguard its intellectual property and protect the data of customers, suppliers, and employees worldwide. With growing global cyber threats, protecting the business from cyber-attacks, data breaches, financial theft, and IP loss is essential to Austin's operational stability.

Austin has implemented a comprehensive set of IT policies, procedures, and practices that govern the use of company information, personal storage devices, IT systems, and cyber security protocols. These are regularly reviewed and updated to reflect evolving threats and best practices.



To reduce cyber risk:

- Mandatory cyber security training is completed by all users accessing Austin IT services.
- Monthly global cyber awareness training is conducted for all employees.
- A data breach response and recovery plan and a business continuity plan are in place to be activated immediately in the event of a cyber incident.

The Board is regularly briefed on cyber security matters, ensuring oversight at the highest level.

Austin also conducts targeted training among relevant employees to enhance the detection of suspected theft or misconduct and encourages safe reporting through the Company's Whistleblower Policy.

Cyber threat management is governed by the Austin Engineering Global IT Framework, Policy and Standards, which sets the policies and controls used across all business units globally.

These standards enable consistent management of data loss prevention, system monitoring, incident response, and remediation.

Austin aligns with globally recognised standards and frameworks:

- ISO 27001 guides the development and implementation of IT policies.
- NIST Cybersecurity Framework underpins our cyber maturity model.
- The Essential Eight is employed as the baseline for regulatory alignment and operational control.

In FY25, Austin continued to advance its IT and network infrastructure to remain ahead of a constantly evolving cyber threat landscape. These improvements are part of a proactive internal monitoring and continuous improvement approach.

There were no data breaches or reportable incidents in FY25.

risk management

Austin's Enterprise Risk Management Standard underpins and drives the identification, management, and mitigation of risk, which in turn creates a risk-aware corporate culture. Key risks are periodically reviewed and reported to the Audit and Risk Committee and to the Board.

The key risks to Austin's ability to successfully operate a global business, grow and remain cost competitive, and the strategies devised to mitigate these risks are summarised below.

economic risk

As a global organisation, Austin's revenue and earnings are influenced by a range of factors including commodity prices, fluctuating freight costs, and exchange rates. Reduced demand for commodity inputs (including iron ore and metallurgical coal) can lead to a decrease in demand for new and replacement equipment by our customers.

Austin manages commodity price risk by engaging with our customers to plan replacement cycles well ahead of time, whilst allowing our customers flexibility on product supply timelines. Diversification across similar markets using mining equipment on a large scale in numerous geographical locations supports the management of these exposures.

Since a significant portion of our sales and operating costs are realised in foreign currencies, foreign currency rate fluctuations can impact our financial results both negatively and positively. In addition to the diversification strategy, Austin seeks to standardise commercial terms for all new contracts. These factors assist Austin in mitigating the impact of any material slowdown in economic activity and/or increased competitive conditions.

cyber security and IT risk

Targeted cyber-attacks or unauthorised access to Austin's IT systems pose a number of risks to Austin including reputational damage, financial loss, operational disruption, and breaches of regulatory compliance obligations.

Austin has developed, and continues to update, its IT policies, procedures and practices including the unauthorised use of proprietary company information, personal devices, IT systems and IT security. To mitigate these risks, Austin maintains ongoing mandatory employee training and education for users in all of our locations. In FY25 Austin continued with the implementation of systems for the transfer of data and back-up to eliminate risk of data loss through system failure or data theft. In the event of a cyber event, the data breach response and recovery plan will be activated to respond to, and mitigate, the effects of such events. The Board is briefed on cyber security on a regular basis.

people risk

The ongoing shortage of skilled labour in some locations continues to place pressure on our ability to attract, grow and retain critical and diverse talent in those workforces. Austin aims to mitigate risks through remunerating competitively in relevant employment markets, identification of critical roles, and the implementation of succession and retention plans. Efforts are continuing to support, attract and develop skilled labour through apprenticeship programs and work experience programs, particularly in engineering.

health & safety risk

We manufacture our products in locations globally and the operational risks associated with the manufacture of large truck bodies, buckets and other large equipment require vigilant safety management across the organisation. Austin has a no risk tolerance for activities that may cause injury or loss of life. Austin has a comprehensive Occupational Health and Safety management system in place, designed to ensure proactive health and safety risk identification, mitigation and management strategies are employed at all times across all our locations. Austin remains committed to refine and improve safety management practices already adopted in all workplaces.

regulatory & compliance risk

Austin's businesses operate in different jurisdictions and are subject to various legal frameworks, laws and regulations including, but not limited to, anti-bribery and anti-corruption, sanctions regimes and anti-trust laws, as well as domestic and international laws. Risks of non-compliance or breach of local and international laws includes, amongst other impacts, damage to Austin's reputation. Changes in laws and government policy in Australia or elsewhere may affect Austin's operations, assets, contracts, and profitability. To monitor changes to laws and identify regulatory risks, Austin engages industry associations and regulatory bodies, consultants, and other advisors to provide independent advisory services. Risk mitigation efforts include internal legal resourcing and the implementation of contractual requirements for significant suppliers' compliance with all laws.

strategic risk

Austin is continually pursuing business growth opportunities and critically evaluating strategic alternatives for long-term sustainability of the production of high-quality products for its customers. To address identified production restraints, in FY25 Austin completed expansions of its North American facility to accommodate increased work levels. In FY25 Austin continued its business growth activities in India, Africa and Europe.

innovation risk

Austin prides itself on bespoke design and engineering solutions that meet customers' needs around product capability and performance. Delivering innovative solutions to our customers is key to our continued success. Technology and innovation within our designs and products helps Austin to stay competitive and differentiates us from our competitors. Price, quality, delivery, technological innovation and engineering development are the primary elements of competition in our market.

Risks to our innovation advantage are addressed across the business by attracting the best people, ensuring protection through intellectual property, and investing in future operations. Austin has developed and implemented a global advanced manufacturing plant to upgrade manufacturing and processes, using the latest technology and innovation to streamline and increase production, as well as improve quality.

supply chain risk

Timely and cost-effective supply of steel continues to represent a risk to Austin's ability to manufacture our products. Austin is reliant on a few strategic global suppliers for the quantities and quality of steel we require for production. Market protectionism, tariffs and fluctuating freight costs continue to pose a risk to the secure ongoing supply of cost-effective steel.

Austin incorporates forecasting on a rolling basis enabling scenario planning and some supply flexibility. To address these risks, strategies have been developed to implement a centralised bulk steel purchasing program to aggregate steel requirements for all business divisions, including the implementation of a global quality assurance system, to greatly improve Austin's competitiveness and ensure steel supply stability with major steel mills.

directors' report

The Directors present their report, together with the financial statements, on the Consolidated entity (referred to hereafter as the "Group" or the "Consolidated Entity") consisting of Austin Engineering Limited (referred to hereafter as the "parent entity" or "the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jim Walker	Chair, Non-Executive Director
Sybrandt Van Dyk	Managing Director and Chief Executive Officer
David Singleton	Non-Executive Director
Chris Indermaur	Non-Executive Director
Linda O'Farrell	Non-Executive Director
Ian Stone	Non-Executive Director (appointed 1 July 2025)

Director and Executive Changes

Mr David Singleton transitioned from the role of Managing Director and Chief Executive Officer to Non-Executive Director on 30 June 2025. Mr Sybrandt Van Dyk commenced in the role of Executive Director on 1 May 2025 and then Managing Director and Chief Executive Officer effective 1 July 2025.

Principal Activities

The principal activities of the Group during the financial year were the manufacture, repair, overhaul and supply of mining attachment products and other associated products and services for the industrial and resources-related business sectors.

Dividends

A fully-franked interim dividend of 0.6 cents per share was declared on 27 February 2025 and was paid to holders of fully paid ordinary shares on 9 April 2025. The Company will be paying a fully franked 0.9 cents per share final dividend to holders of fully paid ordinary shares on 6 October 2025.

Review of operations and results

The net profit for the Group after providing for income tax amounted to $26.327 million (2024: $24.274 million profit after tax) from continuing operations.

The net profit after tax for the Group from continuing and discontinued operations amounted to $25.987 million (2024: $22.170 million).

A review of and information about the operations of the Group during the financial year and of the results of those operations is contained on pages 12 to 24 which form part of this Directors' report.

Significant changes in the state of affairs

Other than previously discussed, there were no significant changes in the state of affairs of the Group during the year.

Events after the reporting date

On 1 July 2025, Mr Sybrandt Van Dyk commenced as CEO and Managing Director and Mr David Singleton transitioned to a Non-Executive Director role. Also on 1 July 2025, the Company announced the appointment of Mr Ian Stone as an independent Non-Executive Director.

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

Likely developments and expected results of operations

Likely developments in the operations of the Group in future financial years and the expected results of those operations have been included generally within the annual report and on pages 8 to 11.

Information on directors

Jim Walker

Independent Non-Executive Chair

Experience and Expertise

Jim Walker has been the Chair of Austin Engineering Limited since July 2016. Jim has over 45 years of experience in the resources sector. Jim was formerly Chair of MLG Oz Ltd, Mader Group Limited, Australian Potash Limited, Macmahon Holdings Limited, Non-Executive Director of Programmed Maintenance Services Limited and Chief Executive Officer of WesTrac Pty Limited.

Qualifications

GAICD, FAIM

Directorships held in other listed entities

None

Former directorships in last 3 years

Mader Group Limited from 1 January 2019 to 21 April 2023.

MLG Oz Limited from 30 April 2021 to 21 April 2023.

Special responsibilities

Member of the Audit and Risk Committee, Member of the Safety Committee and Member of the Nomination and Remuneration Committee.

Interest in shares, options and performance rights

166,000 ordinary shares.

Sybrandt Van Dyk

Managing Director and Chief Executive Officer *(effective 1 July 2025, Executive Director from the period of 1 May 2025 to 1 July 2025, and Non-Executive Director until 1 May 2025).*

Experience and Expertise

Sybrandt Van Dyk has been a Non-Executive Director of Austin Engineering Limited since 2018, before being appointed as Executive Director and Chief Executive Officer elect on 1 May 2025, and Managing Director and Chief Executive Officer effective 1 July 2025. Sybrandt brings over 30 years' of experience primarily within the resources sector. Sybrandt was previously the President of Perenti's Drilling Services Division. He was Chief Executive Officer and Managing Director of DDH1 Ltd prior to its acquisition by Perenti in 2023. He has held the role of CEO and, prior to that, CFO of contract mining company Macmahon Holdings Limited. Sybrandt has also held a number of senior operational roles, including Chief Operating Officer Western Australia and Chief Financial Officer of mining equipment distributor WesTrac Group. Prior to WesTrac Group, Sybrandt's career spanned a number of senior positions within Kimberly-Clark, South Africa.

Qualifications

Bachelor of Commerce (Hons), University of South Africa; Member of Chartered Accountants Australia and New Zealand.

Directorships held in other listed entities

None

Former directorships in last 3 years

Managing Director of DDH1 Limited from 8 February 2021 to 6 October 2023.

Special responsibilities

None

Previously Chair of the Audit and Risk Committee, Member of the Nomination and Remuneration Committee and Member of the Safety Committee until 1 May 2025.

Interest in shares, options and performance rights

213,500 ordinary shares.

David Singleton

Non-Executive Director *(effective 1 July 2025, Managing Director and Chief Executive Officer until 1 July 2025).*

Experience and Expertise

David Singleton has been a Non-Executive Director since April 2019 and was appointed the interim Chief Executive Officer on 25 June 2021, and subsequently the Managing Director and Chief Executive Officer on 14 July 2021 until he stepped down on 1 July 2025. David was previously the Chief Executive Officer and Managing Director of Austal Limited. Prior to this, David was Chief Executive Officer and Managing Director of mineral explorer, Poseidon Nickel and engineering and project services contractor of Clough Limited.

He has vast international business experience gained in senior executive roles in Europe and the and Acquisitions for BAE Systems based in London and spent three years as CEO of Alenia Marconi Systems, based in Italy. David has served as a member of the National Defence Industries Council in the United Kingdom, and as a board member and Vice-President (Defence) of Intellect, a leading trade association for the UK technology industry.

Qualifications

Honours degree in Mechanical Engineering from University College London and Honorary Doctor of Engineering, Edith Cowan University.

Directorships held in other listed entities

None

Former directorships in last 3 years

None

Special responsibilities

None

Interest in shares, options and performance rights

32,827,908 ordinary shares

Chris Indermaur

Independent Non-Executive Director

Experience and Expertise

A Non-Executive Director since July 2016, Chris Indermaur has over 30 years of experience in large Australian companies in engineering and commercial roles. He is currently a Non-Executive Director of Pacific Lime and Cement Limited (formerly Mayur Resources Limited). Chris was formerly a Non-Executive Director of Austal Limited. He was also the Engineering and Contracts Manager for the QNI Nickel Refinery at Yabulu, Company Secretary for QAL and General Manager for Strategy and Development at Alinta Limited. Chris previously held board positions at Poseidon Nickel Limited and Medibio Limited.

Qualifications

Bachelor of Engineering (Mechanical), Graduate Diploma of Engineering (Chemical), Curtin University; Bachelor of Laws, Master of Laws, QUT; Graduate Diploma in Legal Practice, ANU.

Directorships held in other listed entities

Pacific Lime and Cement Limited from 16 September 2021.

Former directorships in last 3 years

Austal Limited from 19 October 2018 to 1 November 2024.

Special responsibilities

Chair of the Safety Committee and a Member of the Audit and Risk Committee and Nomination and Remuneration Committee. Mr Indermaur held the role of Chair of the Audit and Risk Committee from 1 May 2025 to 1 July 2025.

Interest in shares, options and performance rights

200,000 ordinary shares.

Linda O'Farrell

Independent Non-Executive Director

Experience and Expertise

A Non-Executive Director since September 2022, Linda is a senior executive with extensive experience in the global resources sector. Linda was the founder of Go Higher Pty Ltd, a purpose driven consultancy inspiring companies and leaders to go higher and transform culture and contribution and was recently Director-Fortescue People at Fortescue Metals Group Ltd. Linda has shaped people and culture strategy for leading companies including Newcrest, BHP, Mount Gibson Iron and led the People and People Operations teams for Fortescue Metals Group (FMG), during a period of rapid growth both in the metals and energy business from 2013 to 2022. Linda is currently a Non-Executive Director of SRG Global Ltd. Linda was also the Chair of Remsmart and is on the Board of Lifeline Australia.

Qualifications

Bachelor of Economics (Honours in Industrial Relations) from the University of Western Australia; Member of the Australian Institute of Company Directors and Chief Executive Women.

Directorships held in other listed entities

SRG Global Limited from 1 July 2025.

Former directorships in last 3 years

None

Special responsibilities

Chair of the Nomination and Remuneration Committee, Member of the Audit and Risk Committee and Member of the Safety Committee.

Interest in shares, options and performance rights

Nil

Ian Stone

Independent Non-Executive Director
(appointed 1 July 2025)

Experience and Expertise

Ian is an accomplished CEO and Non-Executive Director with more than 30 years' experience in the financial services sector in Australia and internationally. A Fellow of the Institute of Chartered Accountants (Australia and New Zealand) and the Australian Institute of Company Directors, Ian is a strategic leader with deep expertise in governance, risk management, compliance, change management, and financial oversight.

Ian has held executive and board roles across a range of sectors including financial services, automotive, travel, and professional education. He is a highly experienced Chair of Audit and Risk Committees, having served in multiple heavily regulated industries requiring strategic navigation of evolving governance standards and the economic impacts of climate change.

Qualifications

Bachelor of Economics from the University of Adelaide; Advanced Management and Leadership Programme at Oxford University; Columbia University's FIA University Senior Executive Program and Fellow of the Australian Institute of Company Directors.

Directorships held in other listed entities

None

Former directorships in last 3 years

None

Special responsibilities

Chair of the Audit and Risk Committee, Member of the Nomination and Remuneration Committee and Member of the Safety Committee effective 1 July 2025.

Interest in shares, options and performance rights

Nil

Information on company secretary

Sarah Wilson

Company Secretary *(appointed 7 May 2025)*

Sarah Wilson is a governance professional with over 12 years of experience in governance and administration of publicly listed companies, primarily within the resources sector. She has acted as Company Secretary for numerous ASX listed companies and has extensive knowledge and expertise in regulatory compliance, corporate administration, and strategic governance. She is currently Company Secretary for Mader Group Limited (ASX.MAD). Sarah is a Director of Magnolia Corporate Pty Ltd, a boutique consultancy firm, specialising in company secretarial services.

Katina Nadebaum

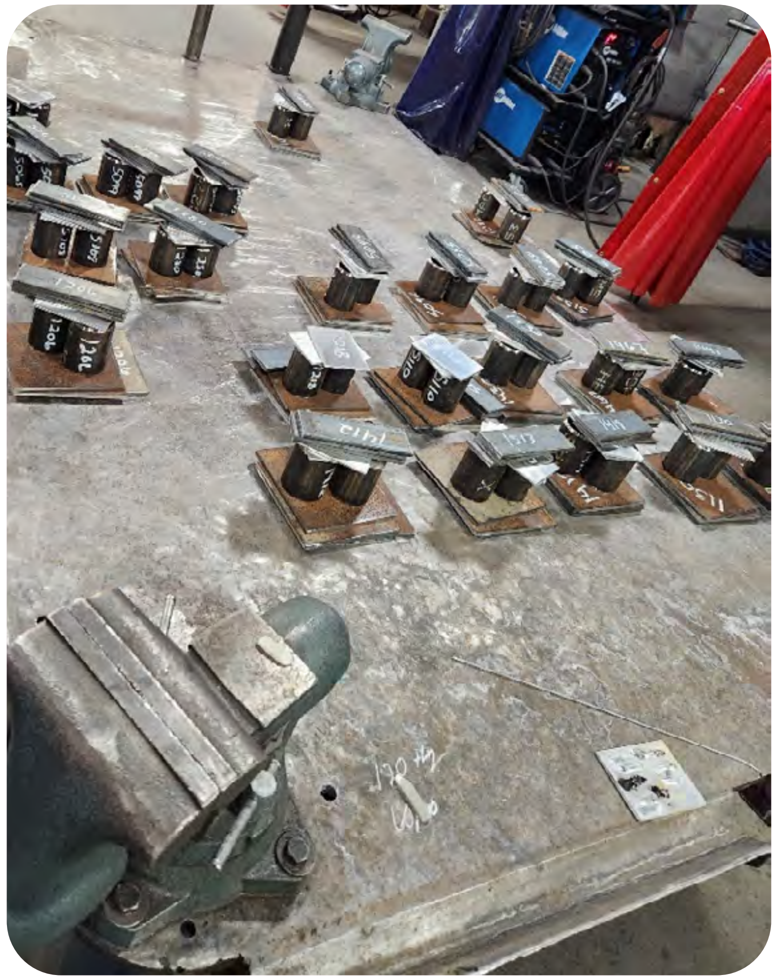
Company Secretary until 7 May 2025.

Corporate governance statement

Austin Engineering Limited is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders and our global stakeholders.

The Company complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ('the ASX Principles').

The 2025 Corporate Governance Statement, which is available at www.austineng.com, reflects the corporate governance practices in place throughout the 2025 financial year.



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 2025, and the numbers of meetings attended by each Director were:

Names	Board Meetings		Audit & Risk Committee		Nomination & Remuneration Committee		Safety Committee	
	A	B	A	B	A	B	A	B
J Walker	9	9	4	4	3	3	4	4
D Singleton	9	9	4	4	3	3	4	4
C Indermaur	9	9	4	4	3	3	4	4
S Van Dyk	9	9	4	4	3	3	4	4
L O'Farrell	9	9	4	4	3	3	4	4

Mr Ian Stone was appointed a Director effective 1 July 2025.

Note:
A. Number of meetings held during the time the Director held office during the year or was a member of the relevant committee.
B. Number of meetings attended by Director.

Message from the Chair of the Nomination & Remuneration Committee

Dear Shareholders,

As Chair of Nomination and Remuneration Committee, and on behalf of the Board, I am pleased to present to you the Remuneration Report for the Financial Year ended 30 June 2025 (Report).

For FY25, it is clear that Austin marked a transition year for remuneration with the term of former CEO and Managing Director, David Singleton, ending, Sy Van Dyk commencing, with a crossover period of handover for the last two months of the year.

Given that the multi-year incentive cycle of Mr Singleton largely culminated in FY24 and it was clear from 1 July 2024 he would be stepping down, the Board did not see fit to begin afresh a new long term incentive cycle for the departing Managing Director. Instead, a fixed remuneration with direct and clear STI performance objectives was put in place for the year covered in this Report.

For this Report, only two months covers the period of Mr Van Dyk performing the role of CEO and Managing Director, thus it does not reflect the figures that would apply to a full financial year, particularly those relating to STI or LTI arrangements.

While the remuneration figures for FY25 show the impact of this 'interregnum' period, Austin maintained its clear preference in remuneration practices for aligning executive outcomes with shareholder outcomes and placing meaningful portions of remuneration at risk in the form of incentive options. This will be reflected in the incentive options package to be put to shareholders at the forthcoming 2025 AGM, which will be fully detailed in the notice of meeting. The number of Incentive Options to be offered will be that determined by an independent third party (experienced in valuation methodology) to have a value of $300,000, against Mr Van Dyk's fixed based salary of $650,000. Overall, this reflects slightly less weighting towards at-risk equity versus fixed pay than the previous Managing Director but is very much in line with the norm for our remuneration peers and the market for executives of Mr Van Dyk's experience.

Specifically for Mr Singelton, a one-year remuneration arrangement was put in place following the announcement of his retirement on 1 July 2024. This included total fixed annual remuneration of $800,000 and STI in the form of a cash bonus of up to $300,000. This STI award was subject to the achievement of certain performance hurdles around safety, financials and group:

- **Safety:** Continuous improvement in Group safety and compliance.
- **Financials:** Deliver strong business outcomes including profit as defined by market guidance and develop growth opportunities.
- **Group:** Deliver continuous improvement programs designed to strengthen capacity for growth in areas including people, systems, innovation and marketing.

The STI treatment for Mr Singleton will be determined in due course.

Specifically for Mr Van Dyk, his fixed annual remuneration will be $650,000 per annum (inclusive of superannuation) and will be reviewed annually in accordance with Company policy.

For a cash STI, Mr Van Dyk's remuneration includes a cash bonus of up to $350,000 for and in respect of the financial year commencing on 1 July 2025. This STI award will be subject to Mr Van Dyk's retention over that period and to the achievement of certain performance hurdles. These are to be determined by the Board following an upcoming budget process but will centre on three categories being safety, financials and group. While STIs will be determined in due course, Mr Van Dyk has advised he will not be taking an incentive for the pro-rata period of 1 May 2025 to 30 June 2025 and will continue to focus on strategic performance initiatives in the year ahead, which drive future remuneration outcomes.

In line with Austin's preference to place a meaningful proportion of remuneration at-risk, and aligned with shareholder expectations, Mr Van Dyk's LTI will consist of unlisted options in the Company (Incentive Options) pursuant to (and on the terms of) the Company's Incentive Option Plan. The number of Incentive Options to be offered will be that determined by an independent third party (experienced in valuation methodology) to have a value of $300,000.

To drive performance, the exercise of the Incentive Options will also be subject to the satisfaction of share price hurdles, which are to be identified and published in the Company's Notice of Annual General Meeting.

To ensure retention, all Incentive Options will be subject to a retention condition (for three years from commencement). The grant of these Incentive Options will be subject to shareholder approval at the Company's 2025 Annual General Meeting.

Outside the remuneration arrangements of the Managing Director, the Board also awarded 433,300 performance rights to the Chief Financial Officer, Mr David Bonomini, in recognition of his contribution and to provide continued incentives aligned with the Company's long-term objectives.

Other elements of KMP remuneration were unchanged.

Linda O'Farrell

Linda O'Farrell
Chair of the Nomination and Remuneration Committee

Audited remuneration report

This audited Remuneration Report ("Report") sets out information about the remuneration of the key management personnel (KMP) as defined by and in accordance with the requirement of the Corporations Act 2001 (the Act) and its regulations for the financial year ended 30 June 2025. The Report forms part of the Directors' Report for the year ended 30 June 2025.

Key management personnel

The KMP during the 30 June 2025 financial year are set out below:

Name	Position	Term as KMP
James (Jim) Walker	Non-Executive Chair	Full financial year
Christopher Indermaur	Non-Executive Director	Full financial year
Linda O'Farrell	Non-Executive Director	Full financial year
Sybrandt Van Dyk	Executive Director	Effective 1 May 2025 Non-Executive Director until 1 May 2025
David Singleton	Managing Director and Chief Executive Officer	Full financial year
Vincent D'Rozario	Chief Operating Officer	Full financial year
David Bonomini	Chief Financial Officer	Full financial year

1. Executive remuneration

Principles used to determine the nature and amount of remuneration

The objective of the Group's remuneration policy is to ensure it is competitive and appropriate for the results delivered. The remuneration of executive KMP is reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, external advisors and industry surveys may be used to ensure the KMP's remuneration is competitive with the market and relevant industry peers. Korn Ferry, a globally recognised remuneration consultant was last engaged by the Group in February 2024. The policy attempts to align executive reward with the achievement of strategic objectives and the creation of value for shareholders. The major features are:

- Economic profit is a core component;
- Attract and retain high quality executives;
- Reward capability and experience;
- Economic profit is a core component;
- Reflect competitive rewards for contributing to growth in shareholder's wealth; and
- Provide recognition for contribution.

Base pay and benefits

The fixed remuneration paid to executive KMP is based on the size and scope of their role, knowledge and experience, market benchmarks for that role, and to some extent the Group's financial circumstances. Fixed remuneration comprises base salary, any applicable role specific allowances, and superannuation.

David Singleton

Mr David Singleton served as Managing Director and Chief Executive Officer until his resignation effective 1 July 2025. He was originally appointed to the role on 14 July 2021 under a fixed annual remuneration (FAR) package of $250,000 per annum (inclusive of superannuation), for a fixed three-year term.

Upon conclusion of this term on 30 June 2024, Mr Singleton's remuneration was reviewed. A revised remuneration package for FY25 was approved by the Board, following benchmarking conducted by Korn Ferry in June 2024.

The FY25 package comprised the following:

- **Total fixed annual remuneration:** $800,000 per annum (inclusive of superannuation) effective for the 12-month period commencing 1 July 2024;
- **Short-Term Incentive (STI):** Mr Singleton was eligible for a cash bonus of up to $300,000 in respect of the financial year commencing 1 July 2024, contingent on the achievement of performance hurdles, which are summarised below:

Key Result Area	Key Performance Objectives
Safety	Continuous improvement in Group safety and compliance.
Financials	Deliver strong business outcomes including profit as defined by market guidance and develop growth opportunities.
Group	Deliver continuous improvement programs designed to strengthen capacity for growth in areas including people, systems, innovation and marketing.

The outcome of the STI payment for Mr Singleton is yet to be determined and hence no amount has been recognised in the current year financial report.

- **Board Discretion:**
  - The Board retains discretion to disregard STI performance hurdles in the event of a change of control, or to amend the hurdles in the case of acquisitions, divestments, or other material events during the performance period.
  - The Board may also increase the STI award by up to 20% (to a maximum of $360,000) if it determines that performance hurdles have been materially exceeded.
- **Other terms:** The other provisions of Mr Singleton's employment agreement remain unchanged and no additional LTI award is being made.

Mr Singleton formally stepped down from his role as Managing Director and Chief Executive Officer at the close of business 30 June 2025 and subsequently transitioned into a Non-Executive Director role. From that date, his remuneration was adjusted to align with the terms applicable to all Non-Executive Directors, as outlined in section 2 below.

Sybrandt Van Dyk

As announced on 23 July 2024, Mr Sybrandt Van Dyk was appointed as the Company's Chief Executive Officer and Managing Director effective 1 July 2025, with a transition period as an Executive Director and Chief Executive Officer Designate commencing from 1 May 2025. Mr Van Dyk's remuneration as a Non-Executive Director ceased on 1 May 2025 where his remuneration as Chief Executive Officer and Managing Director commenced on 1 May 2025, and comprised of:

- **Total fixed annual remuneration:** $650,000 per annum (inclusive of superannuation) for no fixed term. This remuneration will be reviewed annually in accordance with company policy.
- **Short-Term Incentive (STI):** Mr Van Dyk is eligible for a cash bonus of up to $350,000 in respect of the financial year commencing 1 July 2025 and pro-rata equivalent for the period between 1 May 2025 and 30 June 2025. The STI is contingent on the achievement of performance hurdles, which are summarised on the page following.

Key Result Area	Key Performance Objectives
Safety	Continuous improvement in Group safety and compliance.
Financials	Deliver strong business outcomes including profit as defined by market guidance and develop growth opportunities.
Group	Deliver continuous improvement programs designed to strengthen capacity for growth in areas including people, systems, innovation and marketing.

Mr Van Dyk has elected to forego his STI payment for the pro-rata period of 1 May 2025 to 30 June 2025.

- **Board Discretion:**
  - The Board retains discretion to disregard STI performance hurdles in the event of a change of control, or to amend the hurdles in the case of acquisitions, divestments, or other material events during the performance period.
  - The Board may also increase the STI award in respect of the financial year commencing 1 July 2025, by up to 20% (to a maximum of $420,000) if it determines that performance hurdles have been materially exceeded.
- **Long-Term Incentive (LTI):** Mr Van Dyk will be offered a long-term incentive (LTI) in the form of an offer of unlisted options in the Company (Incentive Options) pursuant to (and on the terms of) the Company's Incentive Option Plan. The details of such offer will be set out in an invitation letter under the Plan, which will be provided to Mr Van Dyk once finalised. However, the number of Incentive Options to be offered will be that determined by an independent third party (experienced in valuation methodology) to have a value of $300,000. To ensure retention, all Incentive Options will be subject to a retention condition (for three years from commencement). To drive performance, the exercise of the Incentive Options will also be subject to the satisfaction of share price hurdles. Those share price hurdles and the relevant exercise price(s) for the Incentive Options will be determined by the Board and notified to Mr Van Dyk prior to the Annual General meeting and will be subject to shareholder approval.
- **Service Bonus:** Mr Van Dyk will be entitled to receive a service bonus equal to nine months of base salary (excluding superannuation and additional benefits) payable upon the occurrence of a change of control in the Company. This payment is not connected with any actual or potential termination of the agreement. A change of control for these purposes is:
  - an entity (which does not control Austin) makes a takeover bid and both the bidder obtains voting power in Austin of more than 50% and the takeover offers are made or declared unconditional;
  - a scheme of arrangement transaction is approved by the requisite majorities at a scheme meeting pursuant to which an entity (which does not control Austin) will obtain voting power in Austin of more than 50%; or
  - an event or transaction by which an entity (which does not control Austin) becomes or is to become the registered holder of more than 50% of the total issued shares in Austin is approved or accepted by a majority of Austin shareholders.

Vincent D'Rozario

Mr Vincent D'Rozario was appointed the Chief Operating Officer on 4 January 2023. For FY25, he received an Annual Remuneration equivalent to $494,000 per annum (inclusive of superannuation). To incentivise performance and encourage retention, the Company issued share options to Mr D'Rozario at the prevailing price on or around the time he was appointed as Chief Operating Officer. The share options are based on the Company share price performance over 3 years thereby ensuring alignment with Shareholders. The material terms of the share options are outlined on the page opposite.

David Bonomini

Mr David Bonomini was appointed the Chief Financial Officer 1 November 2022. For FY25, he received an Annual Remuneration equivalent to $400,000 per annum (inclusive of superannuation). The Company has entered into a cash incentive arrangement with Mr Bonomini to reward him for achieving Austin's key financial, operational and strategic objectives in the medium to long term. This is in a form that aligns the interests of the Chief Financial Officer with the Company's key strategies and share price performance. The material terms of the cash incentive arrangement are outlined on the page opposite.

Short-term incentives ("STI")

For the year ended 30 June 2025, executive KMP had no short-term incentive opportunity in place and no short-term incentive payments were made to executive KMP.

Long-term incentives ("LTI")

Long-term incentive plan (LTI Plan) arrangements in place for key management personnel as at 30 June 2025 are set out below.

Options

David Singleton

The issue of Options to Mr David Singleton, in accordance with the terms of the Option Plan, was approved by shareholders at the 2021 Annual General Meeting held on 26 November 2021. The Company issued 42,900,000 Options to Mr Singleton as a key component of his remuneration package and as a long-term incentive (LTI) to support his performance in the role of Managing Director and Chief Executive Officer, and to ensure continued alignment with shareholder interests.

Material Terms of the Options

The Options had an exercise price of $0.13 and an expiry date of three years from the date of issue.

The Options were divided into nine tranches and were subject to two separate performance conditions: a share price hurdle and a retention condition. Both conditions had to be satisfied for Options in a given tranche to vest. The applicable performance conditions are summarised below:

	Share Price Hurdle			
Retention Dates	20 cents	24 cents	28 cents	Total
30 June 2022	(Tranche 1) 4,400,000	(Tranche 2) 4,600,000	(Tranche 3) 5,300,000	14,300,000
30 June 2023	(Tranche 4) 4,400,000	(Tranche 5) 4,600,000	(Tranche 6) 5,300,000	14,300,000
30 June 2024	(Tranche 7) 4,400,000	(Tranche 8) 4,600,000	(Tranche 9) 5,300,000	14,300,000
Total	**13,200,000**	**13,800,000**	**15,900,000**	**42,900,000**

Share Price Hurdle

The Company's 60-day volume weighted average share price needed to meet or exceed the relevant hurdle for each tranche to become eligible for vesting. This condition could be satisfied at any point between 14 July 2021 (the date of Mr Singleton's appointment) and 30 June 2024.

Retention Dates

In addition to achieving the relevant share price hurdle, Mr Singleton was required to remain employed by the Company on the applicable retention date for the Options in that tranche to vest.

Vesting and Exercise of Options

All 42,900,000 Options issued to Mr Singleton vested in full as follows:

- 14,300,000 Options on 30 June 2022
- 14,300,000 Options on 30 June 2023
- 14,300,000 Options on 30 June 2024

Following vesting, all Options became exercisable in accordance with their terms. During FY25, Mr Singleton exercised all 42,900,000 Options utilising the cashless exercise facility in accordance with the terms of the Option Plan, resulting in the issue of 32,509,223 fully paid ordinary shares.

Vincent D'Rozario

The Company issued 5,000,000 Options to Mr Vincent D'Rozario (Chief Operating Officer), in accordance with the terms of the Option Plan, on 12 January 2023. The Options were issued as a key component of his remuneration package and as a LTI to perform in his role as Chief Operating Officer of the Company, ensuring continued alignment to shareholders.

Material Terms of the Options

The Options have an exercise price of $0.35 and an expiry date of 3 years and 3 months after the date of issue.

	Share Price Hurdle			
Retention Dates	45 cents	55 cents	65 cents	Total
4 January 2024	(Tranche 1) 510,000	(Tranche 2) 540,000	(Tranche 3) 616,666	1,666,666
4 January 2025	(Tranche 4) 510,000	(Tranche 5) 540,000	(Tranche 6) 616,667	1,666,667
4 January 2026	(Tranche 7) 510,000	(Tranche 8) 540,000	(Tranche 9) 616,667	1,666,667
Total	**1,530,000**	**1,620,000**	**1,850,000**	**5,000,000**

Share Price Hurdle

The Company's 60-day volume weighted average share price must meet or exceed the relevant share price hurdle relating to the relevant tranche of Options in order for the vesting condition to be satisfied.

In relation to all nine tranches of Options relating to Mr D'Rozario, the share price hurdle can be met at any point between 4 January 2023, the date Mr D'Rozario was appointed as Chief Operating Officer, and 4 January 2026.

Retention Dates

In addition to meeting the share price hurdle, for each tranche of option to become capable of exercise, Mr D'Rozario must remain in the employ of the Company and must not have resigned or been given notice of termination, on the relevant retention date (set out in the table above).

Once Options become capable of exercise, they can be exercised by paying the exercise price in cash or by way of cashless exercise. The Company has the right, in its absolute discretion, to elect to cash settle some or all of the Options exercised by Mr D'Rozario.

Vesting of Options

At the date of this report, a total of 2,100,000 Options (tranches 1, 2, 4 and 5) issued to Mr D'Rozario vested on 2 May 2024, 26 July 2024 and 15 January 2025. 1,050,000 Options have been exercised into ordinary shares on 13 September 2024 and the remaining 1,050,000 are capable to be exercised into shares at an exercise price of $0.35 on or before 12 April 2026.

Performance Rights Plan

At the discretion of the Board, the Company provides a LTI opportunity to executive KMP and senior executive through the grant of performance rights. These performance rights can vest into fully paid ordinary shares in the Company for no consideration, subject to meeting performance conditions or continued employment conditions. The purpose of the LTI opportunity is to incentivise executive KMP and senior executive to deliver sustained increases in shareholder value over the long-term.

433,300 Performance Rights were granted to Mr David Bonomini (Chief Financial Officer) on 6 February 2025, subject to performance-based vesting conditions assessed over a three-year performance period from 1 July 2024 to 30 June 2027.

Key Terms and Performance Conditions

1. Performance Period

- 1 July 2024 – 30 June 2027
- Performance is measured cumulatively over this three-year period.
- Vesting is assessed after the release of the 30 June 2027 audited financial results.

2. Performance Hurdles (50/50 weighting)

Performance Metric	Weighting	Description
Earnings Per Share (EPS) CAGR	50%	Measured as the compound annual growth rate in statutory continuing EPS from the base year (FY25). EPS reflects company profitability and long-term shareholder value.
Total Shareholder Return (TSR) CAGR	50%	TSR includes share price growth and dividends reinvested, calculated as the percentage return to shareholders over the three-year period.

Vesting Scale

For both EPS and TSR components, vesting is based on the following scale:

CAGR Achievement	% of Rights That Vest
Less than 15%	0%
15%	50%
15% – 25%	50% + straight-line increase up to 100%
25% or higher	100%

Additional TSR Measurement Details

- Share price measured using 30-day volume weighted average prices (VWAP) at the start and end of the performance period.
- Dividends assumed to be reinvested on the ex-dividend date.
- Tax and franking credits are excluded.
- The Board may exclude abnormal, one-off, or non-recurring items at its discretion.

Summary

The 433,300 Performance Rights will only vest if the Company delivers strong earnings growth and total shareholder return over the three-year period to FY27. Rights are split equally between EPS growth and TSR performance, both measured on a compound annual growth rate basis, with minimum thresholds of 15% CAGR required for any vesting to occur. The fair value of performance rights was calculated at the grant date using the Monte-Carlo simulation model.

Cash Incentive Arrangement

David Bonomini

The Company entered into a cash incentive arrangement with Mr David Bonomini (Chief Financial Officer) on 21 November 2022. The Cash incentive is a key component of his remuneration package and as a LTI to perform in his role as Chief Financial Officer of the Company, ensuring continued alignment to shareholders.

Material Terms of the Cash Incentive

The Performance Criteria for each period is in the table below. The Chief Financial Officer must be employed with the Company at the end of each Performance Period.

Period	Performance Period	LTI ACHIEVEMENT HURDLE	TEST DATE
1	1 December 2022 to 30 June 2024	Max 60-day VWAP > 34 cents [1]	1 July 2024
2	1 July 2024 to 30 June 2025	Max 60-day VWAP > 41 cents	1 July 2025
		Un-earnt incentive from Period 1 can be earnt if the VWAP is above 34 cents	
3	1 July 2025 to 30 June 2026	Max 60-day VWAP > 47 cents	1 July 2026
		Un-earnt incentive from Period 1 and 2 can be earnt if the VWAP is above 34 and 41 cents respectively	

1. Where the VWAP is of the listed shares of Austin Engineering Limited

The Incentive for each Performance Period will be calculated using the following formula:

Period	Incentive Calculation
1	[(Max 60-day VWAP) - 22 cents] x 972,094
2	[(Max 60-day VWAP) - 22 cents] x 613,953
3	[(Max 60-day VWAP) - 22 cents] x 613,953

Where:

Maximum 60-day VWAP = the lower of the actual maximum 60-day VWAP in dollars for the Performance Period or 75 cents.

For Performance Period 1 and 2, the amount earnt will be calculated and "banked" until the end date of 1July 2026 at which point all vested incentives will be recalculated using the following formula. The recalculation will only occur based on the formula below if the Chief Financial Officer is in the employ of the Company at the end date of 1 July 2026.

Period	Incentive Calculation
1	[(Max 60-day VWAP) - $0.22] x 972,094
2	[(Max 60-day VWAP) - $0.22] x 613,953
3	[(Max 60-day VWAP) - $0.22] x 613,953

Where:

Maximum 60-day VWAP = the lower of the actual maximum 60-day VWAP in dollars for the period 1 December 2022 to 30 June 2025 or 75 cents.

The Maximum Incentive that can be earnt in each Performance Period is as follows:

Period	Performance Period	Maximum Incentive
1	1 December 2022 to 30 June 2024	($0.75 – $0.22) x 972,094 = **$515,210**
2	1 July 2024 to 30 June 2025	($0.75 -$0.22) x 613,953 = $325,395
3	1 July 2025 to 30 June 2026	($0.75 -$0.22) x 613,953 = $325,395
	TOTAL	$1,166,000

Incentive for performance periods 1 and 2

The Incentive for Performance Period 1 as outlined above has been determined in FY2024. The 60-day VWAP ending 30 June 2024 was 52.97 cents. The calculation was as per below:

Calculation = [$0.5297-$0.22] x 972,094 = $301,057.51

As outlined above the above, and amount of $301,057.51 was "banked" until the end date of 1 July 2026 at which point all vested incentives will be recalculated using the above formula. The recalculation will only occur based on the formula above if the Chief Financial Officer is in the employ of the Company at the end date of 1 July 2026.

The incentive for Performance Period 2 was tested in FY2025. The 60-day VWAP ending 30 June 2025 was 35.87 cents which was lower than the hurdle of the 60 day VWAP being 41 cents. As this hurdle was not met, no incentive was banked in relation to performance period 2.

Statutory Performance Indicators

The table on the next page shows measures of the Group's financial performance over the past five years as required by the Corporations Act 2001. However, these measures are not all consistent with the measures used in determining the variable amounts of remuneration to be awarded to executive KMP. Consequently, there may not always be a direct correlation between statutory key performance measures and the variable remuneration awarded to executive KMP.

Continuing and discontinued operations

	30 June 2025 $000's	30 June 2024* Restated $000's	30 June 2023 $000's	30 June 2022 $000's	30 June 2021 $000's
Revenue	376,729	308,348	258,298	205,999	207,260
Earnings before interest, tax, depreciation and amortisation (EBITDA)	41,351	41,443	17,333	29,548	9,733
Net profit/(loss) after tax	**25,987**	**22,170**	**2,849**	**16,807**	**(540)**
Basic earnings/(loss) per share (cents)	4.23	3.78	0.49	2.89	(0.10)
Diluted earnings/(loss) per share (cents)	4.15	3.58	0.45	2.80	(0.09)
Shareholder returns					
Interim dividend - fully franked (cents)	**0.60**	**0.40**	**-**	**0.20**	**0.20**
Final dividend - fully franked (cents)	**0.90**	**0.80**	**-**	**0.30**	**0.30**
Share price at end of year ($)	**0.32**	**0.58**	**0.28**	**0.23**	**0.14**

*Prior year information has been restated. Refer to note 36 of the annual financial statements for further information.

Service agreements

The Company's executive KMP are engaged under service agreements that are ongoing and have no fixed end date. However, these contracts may be terminated by notice from either party.

Key details of the service agreements of the current executive KMP are set out below:

	Total Fixed Remuneration including Superannuation (TFR)	Notice periods to terminate	Termination payments
Key Management Personnel during the financial year			
Managing Director and Chief Executive Officer David Singleton	$800,000 (fixed for 12 months effective from 1 July 2024)	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies([1]).	Statutory entitlements
Executive Director and CEO Designate Sybrandt Van Dyk (from 1 May 2025)	$650,000	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements
Chief Operating Officer Vincent D'Rozario	$494,000	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements
Chief Financial Officer David Bonomini	$400,000	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements

1. Mr Singleton stepped down as CEO and Managing Director as at close of business 30 June 2025

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2. Non-executive director remuneration

The structure of the remuneration provided to Non-Executive Directors is distinct from that applicable to executives. Non-Executive Directors receive only fixed remuneration that is not linked to the financial performance of the Company.

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. Non-Executive Directors' fees and payments are reviewed annually by the Board to ensure fee levels are appropriate and in-line with the market.

The annual fees paid, inclusive of superannuation, to Non-Executive Directors for the financial year ended 30 June 2025 are set out below:

	30 June 2025 $
Board Chair	165,993
Board Members	98,520
Committee Chair	10,128

The maximum aggregate amount that can be paid to Non-Executive Directors is $800,000 per annum, including superannuation (the Fee Pool). This Fee Pool amount was approved by shareholders at the 2024 Annual General Meeting.

3. Remuneration governance

The Board oversees the remuneration arrangements of the Company. In performing this function the Board is assisted by input and recommendations from the Nomination and Remuneration Committee ("Committee"), external consultants and internal advice as required. The Committee is responsible for the overview, and recommendation to the Board, of remuneration arrangements for Directors and executive KMP. The Managing Director and Chief Executive Officer, in consultation with the Board, sets remuneration arrangements for other executive KMP. No employee is directly involved in deciding their own remuneration (including the Managing Director and Chief Executive Officer).

Further details of the role and function of the Committee are set out in the Charter for the Nomination and Remuneration Committee on the Company's website at www.austineng.com.

The Committee obtains advice and market remuneration data from external remuneration advisors as required. When advice and market remuneration data is obtained, the Committee follows protocols regarding the engagement and use of external remuneration consultants to ensure ongoing compliance with executive remuneration legislation. These protocols ensure that any remuneration recommendation from an external consultant is free from undue influence by any member of the Company's key management personnel to whom it relates.

The protocols for any external consultant providing remuneration recommendations prohibit them from providing advice or recommendations to employees or Directors before recommendations are given to the Committee. These arrangements were implemented to ensure that any external party will be able to carry out its work, including information capture and formation of its recommendations, free from undue influence by the individuals to whom they relate

4. Value provided to key management personnel

The following tables details of the remuneration provided to KMP for the current and previous financial year. Amounts paid or payable (in round dollars) or otherwise made available to KMP as at the date of this report were:

		Fixed Remuneration			Variable Remuneration				
Name	**Year**	**Cash salary & fees** **$**	**Super-annuation** **$**	**Movement in Annual Leave Provision** **$**	**Long-Term benefits** **$**	**Other benefits** **$**	**Share based payments[3]** **$**	**Total** **$**	**Performance Related** **%**
Non-Executive Directors									
Jim Walker	2025	148,873	17,120	-	-	-	-	165,993	-
	2024	143,794	15,817	-	-	-	-	159,611	-
Chris Indermaur	2025	115,853	2,801	-	-	-	-	118,654	-
	2024	94,117	10,353	-	-	-	-	104,470	-
Sybrandt Van Dyk[2]	2025	81,202	9,338	-	-	-	-	90,540	-
	2024	94,117	10,353	-	-	-	-	104,470	-
Linda O'Farrell	2025	97,442	11,206	-	-	-	-	108,648	-
	2024	94,117	10,353	-	-	-	-	104,470	-
Total compensation for Non-Executive Directors	2025	443,370	40,465	-	-	-	-	483,835	-
	2024	426,145	46,876	-	-	-	-	473,021	-
Executive Directors and Other Key Management Personnel									
David Singleton[1]	2025	770,068	29,932	-	-	-	-	800,000	-
	2024	227,273	25,000	20,994	2,391	-	397,565	673,223	59.1
Sybrandt Van Dyk[2]	2025	108,333	6,549	10,211	342	-	-	125,435	-
	2024	-	-	-	-	-	-	-	-
Vincent D'Rozario[3]	2025	464,068	29,932	21,239	6,083	-	112,643	633,965	17.8
	2024	456,888	29,321	8,388	2,632	-	258,175	755,404	34.2
David Bonomini[3]	2025	370,068	29,932	19,859	5,295	-	44,647	469,801	9.5
	2024	319,708	29,037	(1,520)	1,958	-	154,271	503,454	30.6
Total compensation for Senior Executives	2025	1,712,537	96,345	51,309	11,720	-	157,290	2,029,201	7.8
	2024	1,003,869	83,358	27,862	6,981		810,011	1,932,081	41.9
Total Key Management Personnel Remuneration	2025	2,155,907	136,810	51,309	11,720	-	157,290	2,513,036	6.3
	2024	1,430,014	130,234	27,862	6,981	-	810,011	2,405,102	33.7

1. Mr David Singleton retired as Chief Executive Officer and Managing Director on 30 June 2025.
2. Mr Sybrandt Van Dyk was appointed as Chief Executive Officer and Managing Director on 1 July 2025. He ceased to be Non- Executive Director from 1 May 2025 when he began the handover period with Mr David Singleton.
3. Share based payments included in the remuneration above relate to the accounting expense of cash settled share based payments, performance rights and options issued.

No cash bonus payments were made during the year.

Other transactions with related parties

During 2024, the Company engaged Remsmart, to provide remuneration consulting services to establish a job grading framework, remuneration benchmarking for top 50 roles, and recommending a go-forward remuneration framework. Linda O' Farrell was the Chair of Remsmart. An amount of $43,725 was paid in relation to these services in 2024 and $21,863 was paid in 2025. There is no amount payable in relation to these services at 30 June 2025.

Other than those disclosed above, there were no transactions with related parties during the year (2024: Nil) and no amounts outstanding to related parties at 30 June 2025 (2024: Nil).

Loans to key management personnel

There were no loans made, guaranteed or secured, directly or indirectly, by Austin Engineering Limited and any of its subsidiaries to KMP, including their close family members and entities related to them.

5. Equity instruments

Equity Instruments held by key management personnel

The details of Shares, Options and Performance Rights over ordinary shares granted to and vested by KMP of the Group are set out below:

Key Management Personnel	Balance at 30 June 2024	Granted	Vested and Exercised	Shares issued on exercise of options	Disposal	Balance at 30 June 2025	Vested and Exercisable	Unvested	Granted - Fair Value $	% vested during the year	Maximum value to vest $
David Singleton - Non-Executive Director (effective 1 July 2025)											
Shares[1]	318,685	-	-	32,509,223	-	32,827,908	-	-	-	-	-
Options[2]	42,900,000	-	(42,900,000)	-	-	-	-	-	-	-	-
Total	**43,218,685**	**-**	**(42,900,000)**	**32,509,223**	**-**	**32,827,908**	**-**	**-**	**-**	**-**	**-**
Jim Walker - Non-Executive Director											
Shares[1]	166,000	-	-	-	-	166,000	-	-	-	-	-
Total	**166,000**	**-**	**-**	**-**	**-**	**166,000**	**-**	**-**	**-**	**-**	**-**
Sybrandt Van Dyk - Managing Director and Chief Executive Officer (effective 1 July 2025)											
Shares[1]	213,500	-	-	-	-	213,500	-	-	-	-	-
Total	**213,500**	**-**	**-**	**-**	**-**	**213,500**	**-**	**-**	**-**	**-**	**-**
Chris Indermaur - Non-Executive Director											
Shares[1]	200,000	-	-	-	-	200,000	-	-	-	-	-
Total	**200,000**	**-**	**-**	**-**	**-**	**200,000**	**-**	**-**	**-**	**-**	**-**
Vincent D'Rozario – Chief Operating Officer											
Shares[1]	-	-	-	321,534	(310,000)	11,534	-	-	-	-	
Options[3]	5,000,000	-	(1,050,000)	-	-	3,950,000	(1,050,000)	2,900,000	334,399	21%	334,399
Total	**5,000,000**	**-**	**(1,050,000)**	**321,534**	**(310,000)**	**3,961,534**	**(1,050,000)**	**2,900,000**	**334,399**	**21%**	**334,399**
David Bonomini – Chief Financial Officer											
Performance Rights[4]	-	433,300	-	-	-	433,300	-	433,300	159,454	-	-
Total	**-**	**433,300**	**-**	**-**	**-**	**433,300**	**-**	**433,300**	**159,454**	**-**	**-**
Total	**48,798,185**	**433,300**	**(43,950,000)**	**32,830,757**	**(310,000)**	**37,802,242**	**(1,050,000)**	**3,333,300**	**159,454**	**-**	**334,399**

1. Ordinary shares in the Company held directly, indirectly or beneficially by Non-Executive Directors and executive KMP, including related parties, are outlined above and were acquired in accordance with the Company's Share Trading Policy.
2. Options granted on 26 November 2021 to the Managing Director. 42,900,000 Options exercised using the cashless exercise facility, resulting in the issue of 32,509,223 shares.
3. Options granted on 12 January 2023 to the Chief Operating Officer. Of these 5,000,000 options, 1,050,000 exercised using the cashless exercise facility, resulting in the issue of 321,534 shares.
4. Performance Rights granted on 6 February 2025 to the Chief Financial Officer.

No other key management personnel held shares, options or rights at 30 June 2025 and 30 June 2024.

Shares under option

The number of options over ordinary shares held by KMP at the date of this report are as follows:

Grant date	Expiry date	Type	Exercise price	Number of shares under option
12 January 2023	12 April 2023	Share price and Tenure	$0.35	3,950,000

No options were granted to, or exercised by, KMP since the end of the financial year.

Shares under performance rights

The number of performance rights held by KMP at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number of rights
6 February 2025	6 February 2030	Nil	433,300

No performance rights were granted to KMP since the end of the financial year.

This concludes the audited remuneration report.

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, Austin Engineering Limited paid a premium in respect of a contract insuring the directors and officers of Austin Engineering Limited against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

(b) Indemnity of auditors

Austin Engineering Limited has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-audit services

The Directors have considered the position and, in accordance with advice received from the Audit and Risk Committee, are 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. Services provided related to taxation compliance and advisory services. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in note 32 to the financial statements, 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 & 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 (including Independence Standards) for APES 110 issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

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 59.

Rounding of amounts

The Group 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.

J. A. Walker

Jim Walker
Non-Executive Chair

25 August 2025
Perth

auditor's independence declaration

BDO

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

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

As lead auditor of Austin Engineering Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

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

Dean Just

Director

BDO Audit Pty Ltd

Perth

25 August 2025

annual financial report

For the year ended 30 June 2025

Consolidated financial statements

Notes to the consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Notes	2025 $'000	2024 Restated* $'000
Revenue from continuing operations	2	376,729	308,348
Other income	3	4,033	3,620
Expenses			
Raw materials and consumables used		(128,479)	(121,835)
Employment expenses		(76,750)	(72,213)
Subcontractor expenses		(73,391)	(30,524)
Occupancy and utility expenses		(7,807)	(7,602)
Depreciation expense		(8,617)	(8,727)
Amortisation expense	19	(1,248)	(1,140)
Production operational expenses	4b	(25,661)	(18,891)
Gain / (Loss) from disposal of property, plant and equipment		148	(103)
Other expenses	4c	(23,843)	(17,287)
Finance costs		(2,239)	(2,658)
Inventory obsolescence	12	(3,315)	-
Profit before income tax		**29,560**	**30,988**
Income tax expense	6	(3,233)	(6,714)
Profit for the year from continuing operations		**26,327**	**24,274**
Loss from discontinued operation	5	(340)	(2,104)
Profit for the year		**25,987**	**22,170**
Other comprehensive income			
Item that may not be reclassified to profit or loss			
Defined benefits obligations actuarial losses		(182)	-
Item that may be reclassified to profit or loss			
Foreign currency translation differences, net of tax	23	2,679	(8,755)
Other comprehensive income for the year		**2,497**	**(8,755)**
Total comprehensive income for the year		**28,484**	**13,415**

	Notes	Cents	Cents
Earnings per share from continuing operations attributable to the owners of Austin Engineering Limited:			
Basic earnings per share (cents per share)	7	4.29	4.14
Diluted earnings per share (cents per share)	7	4.20	3.92
Earnings per share from continuing and discontinued operations attributable to owners of Austin Engineering Limited:			
Basic earnings per share (cents per share)	7	4.23	3.78
Diluted earnings per share (cents per share)	7	4.15	3.58

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

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

Consolidated statement of financial position
As at 30 June 2025

	Notes	2025 $'000	2024 Restated* $'000	1 July 2023 Restated* $'000
Current assets				
Cash and cash equivalents	9	20,060	40,193	20,167
Trade receivables	10	62,361	46,012	43,372
Contract assets	11	2,874	8,547	1,062
Inventories	12	87,919	75,123	71,952
Current tax assets	6	2,526	502	406
Finance lease receivable	13	8,948	10,650	9,118
Other assets	14	6,749	5,685	8,452
		191,437	**186,712**	**154,529**
Assets classified as held for sale	5	913	3,386	4,513
Total current assets		**192,350**	**190,098**	159,042
Non-current assets				
Property, plant and equipment	18	48,436	42,923	47,736
Intangible assets	19	25,667	25,950	26,113
Deferred tax assets	6	11,778	11,103	5,907
Right-of-use assets	20	16,336	9,710	10,916
Finance lease receivable	13	8,562	5,581	7,584
Other assets	14	200	202	-
Total non-current assets		**110,979**	**95,469**	**98,256**
Total assets		**303,329**	**285,567**	**257,298**
Current liabilities				
Trade and other payables	15	69,601	73,596	50,883
Contract liabilities	16	23,582	22,361	19,303
Financial liabilities	21	16,563	33,358	33,712
Current tax liabilities	6	813	5,302	4,087
Provisions	17	8,852	6,185	9,623
Lease liabilities	20	4,434	4,502	4,525
		123,845	**145,304**	**122,133**
Financial liabilities directly associated with assets classified as held for sale	5	-	5,355	6,051
Total current liabilities		**123,845**	**150,659**	**128,184**
Non-current liabilities				
Contract liabilities	16	1,928	2,163	-
Financial liabilities	21	16,333	917	8,107
Provisions	17	2,271	1,676	1,379
Lease liabilities	20	14,933	7,241	9,100
Total non-current liabilities		**35,465**	**11,997**	**18,586**
Total liabilities		**159,310**	**162,656**	**146,770**
Net assets		**144,019**	**122,911**	**110,528**
Equity				
Share capital	22	156,517	155,952	155,052
Retained earnings/ (Accumulated losses)		22,502	(16,801)	(36,626)
Reserves	23	(35,000)	(16,240)	(7,898)
Total equity		**144,019**	**122,911**	**110,528**

* Restated to reflect prior period adjustment. Refer to note 36 for further details.

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 2025

	Notes	Contributed equity $'000	Share based payment reserve $'000	Foreign currency translation reserve $'000	Retained earnings/ (Accumulated losses) $'000	Total $'000
Opening balance at 1 July 2023 as originally reported		**155,052**	**3,615**	**(11,513)**	**(32,956)**	**114,198**
Correction of error (net of tax)	36	-	-	-	(3,670)	(3,670)
Balance at 1 July 2023 (Restated*)		**155,052**	**3,615**	**(11,513)**	**(36,626)**	**110,528**
Total comprehensive income for the year:						
Profit for the year		-	-	-	22,170	22,170
Other comprehensive income, net of tax:						
Currency translation differences		-	-	(8,755)	-	(8,755)
Total comprehensive income for the year (Restated*)		**-**	**-**	**(8,755)**	**22,170**	**13,415**
Transactions with owners in their capacity as owners:						
Shares issued under dividend reinvestment plan (net of share issue costs)	22	73	-	-	(73)	-
Share-based payments		-	1,240	-	-	1,240
Conversion of performance rights	22	827	(827)	-	-	-
Dividends provided for or paid	8	-	-	-	(2,272)	(2,272)
		900	**413**	**-**	**(2,345)**	**(1,032)**
Balance at 30 June 2024 (Restated*)		**155,952**	**4,028**	**(20,268)**	**(16,801)**	**122,911**
Opening balance at 1 July 2024 as originally reported		**155,952**	**4,028**	**(20,417)**	**(9,219)**	**130,344**
Correction of error (net of tax)	36	-	-	149	(7,582)	(7,433)
Opening balance at 1 July 2024 (Restated*)		**155,952**	**4,028**	**(20,268)**	**(16,801)**	**122,911**
Total comprehensive income for the year:						
Profit for the year		-	-	-	25,987	25,987
Other comprehensive income, net of tax:						
Defined benefits obligations actuarial losses		-	-	-	(182)	(182)
Reclassification of FCTR on change in functional currency of subsidiaries**		-	-	(22,175)	22,175	-
Currency translation differences			-	2,679	-	2,679
Total comprehensive income for the year (Restated*)		**-**	**-**	**(19,496)**	**47,980**	**28,484**
Transactions with owners in their capacity as owners:						
Shares issued under dividend reinvestment plan (net of share issue costs)	22	495	-	-	(495)	-
Share-based payments		-	806	-	-	806
Conversion of performance rights	22	70	(70)	-	-	-
Dividends provided for or paid	8	-	-	-	(8,182)	(8,182)
		565	**736**	**-**	**(8,677)**	**(7,376)**
Balance at 30 June 2025		**156,517**	**4,764**	**(39,764)**	**22,502**	**144,019**

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

**Refer to note 23 for further details on change in functional currency of subsidiaries.

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 2025

	Notes	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers		367,499	298,937
Payments to suppliers and employees		(352,875)	(255,986)
Receipt from government grants – employee retention credits	3	-	1,651
Interest received		1,488	1,212
Finance costs		(4,180)	(3,875)
Income tax paid		(9,659)	(6,440)
Income tax refund		314	-
Net cash provided by operating activities	31	**2,587**	**35,499**
Cash flows from investing activities			
Payments for property, plant and equipment		(8,685)	(4,488)
Payments for intangibles		(845)	(1,001)
Proceeds from sale of property, plant and equipment		415	93
Net payment for acquisition of subsidiary		(3,500)	(2,977)
Net cash used in investing activities		**(12,615)**	**(8,373)**
Cash flows from financing activities			
Proceeds from borrowings		6,000	-
Repayment of borrowings		(3,771)	(3,664)
Dividends paid to company's shareholders	8	(8,182)	(2,272)
Receipts from government grant – investment attraction fund		-	2,750
Repayment of lease liabilities		(5,010)	(4,052)
Net cash used in financing activities		**(10,963)**	**(7,238)**
Net (decrease)/ increase in cash and cash equivalents		**(20,991)**	**19,888**
Cash and cash equivalents at the beginning of the financial year		40,193	20,167
Effects of exchange rate changes on cash and cash equivalents		858	138
Cash and cash equivalents at end of the year	9	**20,060**	**40,193**

Refer note 5 for cash flows on discontinued operations.

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

1. 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. Segment information for the years ended 30 June 2025 and 30 June 2024 is as follows:

	Asia-Pacific		North America		South America		Unallocated		Total	
	2025 $'000	2024 $'000	2025 $'000	2024* $'000	2025 $'000	2024* $'000	2025 $'000	2024 $'000	2025 $'000	2024* $'000
Continuing operations										
Total segment revenue from continuing operations - from external customers	173,301	166,137	146,782	95,527	56,646	46,684	-	-	376,729	308,348
Cost of sales	109,149	101,291	104,244	64,463	49,042	34,363	-	-	262,436	200,118
EBITDA from continuing operations	32,682	18,112	20,206	17,102	(2,621)	10,173	(8,603)	(1,874)	41,664	43,513
Profit/(loss) before tax	25,279	9,856	17,437	14,927	(2,060)	10,483	(11,096)	(4,278)	29,560	30,988
Other segment information										
Depreciation and amortisation	6,153	6,787	2,583	1,927	716	744	413	409	9,865	9,867
Impairment	1,848	-	1,154	-	313	-	-	-	3,315	-
Continuing and discontinued operations										
Total segment assets	92,254	94,148	76,678	65,687	82,193	73,813	52,204	51,918	303,329	285,567
Total assets include: Additions to non-current assets (other than financial assets and deferred tax)	14,524	4,615	14,012	2,032	633	88	2,336	1,014	31,505	7,749
Total segment liabilities	58,531	71,317	45,387	36,003	15,881	17,531	39,511	37,805	159,310	162,656

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

The unallocated amounts include Head office balances and discontinued operations including assets and liabilities held for sale that have not been allocated to the operating segments.

Group's borrowings are not considered to be segment liabilities but are managed by the treasury function.

1. Segment information (continued)

Segment revenue and non-current assets

Continuing operations	2025 $'000	2024* $'000
Total revenues from customers based on geographical regions:		
- Australia	140,329	140,029
- Chile	51,412	46,561
- USA	61,982	59,898
- Canada	84,611	32,856
- Indonesia	24,315	15,651
- all other foreign countries	14,080	13,353
Revenues derived from a single external customer were attributable to Asia-Pacific and North America segments	105,888	81,379
Non-current assets, excluding financial instruments and deferred tax assets, located:		
- in Australia	36,158	33,880
- in Chile	12,236	11,956
- in USA	27,615	17,984
- in Indonesia	14,630	14,966

Corporate expenses

Corporate expenses are incurred in Australia and the majority of these costs are recharged across the group in accordance with group transfer pricing arrangements in place.

Segment assets and liabilities

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

	Continuing and discontinued operations		Continuing operations	
	2025 $'000	2024* $'000	2025 $'000	2024* $'000
EBITDA	41,351	41,443	41,664	43,513
Depreciation expense	(8,644)	(8,760)	(8,617)	(8,727)
Amortisation expense	(1,248)	(1,140)	(1,248)	(1,140)
Interest revenue	1,495	1,212	1,495	1,212
Interest expense	(3,734)	(3,872)	(3,734)	(3,870)
Profit before income tax	**29,220**	**28,883**	**29,560**	**30,988**

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

2 Revenue

The Group derives the following types of revenue from continuing operations:

	2025 $'000	2024* $'000
Revenue from contracts with customers	376,729	308,348
Total revenue from continuing operations	**376,729**	**308,348**

(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:

Revenue from contracts with customers	Asia Pacific 2025 $'000	Asia Pacific 2024 $'000	North America 2025 $'000	North America 2024 $'000	South America 2025 $'000	South America 2024* $'000	Total 2025 $'000	Total 2024* $'000
Sale of Goods								
Truck Bodies	94,210	83,678	137,071	92,539	37,645	15,207	268,926	191,424
Buckets	14,826	28,643	6,206	674	2,852	-	23,884	29,317
Other Goods	37,050	32,780	3,474	2,314	2,097	2,684	42,621	37,778
Total Sale of Goods	**146,086**	**145,101**	**146,751**	**95,527**	**42,594**	**17,891**	**335,431**	**258,519**
Services								
Total Services	**27,215**	**21,036**	**31**	**-**	**14,052**	**28,793**	**41,298**	**49,829**
Revenue from contracts with customers	**173,301**	**166,137**	**146,782**	**95,527**	**56,646**	**46,684**	**376,729**	**308,348**
Timing of Revenue Recognition								
At a point in time – sale of goods	146,086	145,101	146,751	95,527	42,594	17,891	335,431	258,519
Over time - services	27,215	21,036	31	-	14,052	28,793	41,298	49,829
Revenue from contracts with customers	**173,301**	**166,137**	**146,782**	**95,527**	**56,646**	**46,684**	**376,729**	**308,348**

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

(b) Accounting policies

(i) Sale of goods

The Group derives revenue from the manufacture and sale of truck bodies, excavator buckets and other ancillary products. Contracts entered into may be for the manufacture and sale of one or several products. The manufacture of each individual body, bucket or other product is generally taken to be one performance obligation. Where contracts are entered into for the manufacture of several products the total transaction price is allocated across each product based on stand-alone selling prices net of any discounts provided.

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the Group determines whether it is satisfied over time or at a point in time.

Performance obligations are satisfied at point in time as the entity transfers control of the product only after the completion of the product and when it is delivered to the customer. Control over the product remains with Austin throughout the manufacturing process and the customer will only consume the benefits after delivery of the product.

2. Revenue (continued)

(b) Accounting policies (continued)

(i) Sale of goods (continued)

Revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example, on delivery. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

All goods sold include defect and warranty periods following transfer of control to the customer. These obligations are not deemed separate performance obligations and therefore recognised in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

The Group derives a portion of sale of goods revenue from the sale of truck bodies under finance lease arrangements in the capacity as lessor. The Group is considered to be a manufacturer lessor under *AASB 16 Leases* and therefore recognises selling profit or loss in the period in accordance with the policy when the product is available for use by the customer. Revenue from these sales is recognised at the fair value of the asset disposed or, if lower, the present value of the minimum lease payments accruing to the Group, computed at a market rate of interest. During the financial year $9.313 million (2024: $17.540 million) of revenue was recognised from truck bodies sold on finance lease arrangements in South America.

(ii) Services

The Group derives revenue from on and off-site repair and maintenance services. Repair and maintenance performance obligations are fulfilled over time as the group enhances assets which the customer controls, for which the Group does not have an alternative use and for which the Group has right to payment for performance to date. Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or a variable price depending on the nature of repair and is recognised in the accounting period in which the services are rendered.

(c) Contract assets and liabilities

The Group has recognised the following assets and liabilities related to contracts with customers:

	Notes	2025 $'000	2024 $'000
Contract assets	11	2,874	8,547
Contract liabilities – current	16	(23,582)	(22,361)
Contract liabilities – non-current	16	(1,928)	(2,163)

The movement in the Group's Contract assets and liabilities during the financial year is disclosed below:

	Contract Assets 2025 $'000	Contract Assets 2024 $'000	Contract Liabilities 2025 $'000	Contract Liabilities 2024 $'000
At 1 July	**8,547**	**1,062**	**(24,524)**	**(19,303)**
Invoices issued in advance of performance	-	-	(52,380)	(29,103)
Transfers to trade receivables	(8,683)	(10,422)	-	-
Amounts recognised in relation to obligations to fulfil customer contracts	-	-	(1,125)	-
Amounts recognised in revenue during the year	2,863	18,450	51,597	25,171
Amount received as Government grant	-	-	-	(2,704)
Grant amount recognised as income during the year	-	-	235	541
Effect of foreign exchange	147	(543)	687	874
At 30 June	**2,874**	**8,547**	**(25,510)**	**(24,524)**

Contract assets and liabilities

Contract assets are recognised when the Group has transferred goods or services to the customer and met the performance obligation but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes. Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

3 Other income

	2025 $'000	2024* $'000
Other income	758	943
Write back of impairment on asset previously accounted for as held for sale (i)	2,307	-
Income from Scrap Sales	2,212	1,601
Grant income (ii)	235	557
Net foreign currency exchange (losses) / gains	(1,478)	519
Total other income	**4,034**	**3,620**

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

(i) Reversal of impairment recorded on the right of use asset held in Canada. Refer Note 5 for further details.

(ii) During the prior year, the group received grant from the WA Government for investment in advanced manufacturing equipment. The grant received is capitalised and amortised over the useful life of the assets purchased through utilisation of the grant funds. During the current period $0.235 million (2024: $0.557 million) has been recognised as grant income.

4 Expenses

(a) Profit for the year from continuing operations includes the following expenses:

	2025 $'000	2024* $'000
Cost of goods sold	262,436	200,118
Defined contribution superannuation costs	3,641	2,476
Share based payment expense	2,959	1,240

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

(b) Production operational expenses:

	2025 $'000	2024* $'000
Transport	16,218	11,005
Equipment hire / lease	3,839	2,042
Equipment repairs and maintenance	2,112	1,863
Other operational expenses	3,492	3,981
Total other expenses	**25,661**	**18,891**

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

(c) Other expenses:

	2025 $'000	2024* $'000
Consultancy	6,591	3,104
Insurance costs	3,260	3,339
Administration costs	3,285	2,161
Information technology costs	2,111	2,808
Travel expenses	2,196	1,355
Other expenses	6,400	4,520
Total other expenses	**23,843**	**17,287**

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

5 Discontinued operations

(a) Discontinued operations

During the 2022 and prior years, the Group closed its operation in Peru and Canada including, retrenching staff, transferring assets to other Austin business units and disposing of assets. The decision to discontinue the operations was made based on the current and future expected market conditions in Peru and Canada as well as the overall Group strategy and hub and spoke model. Following the discontinuation of the Canadian operations in FY2022, the Canadian right-of-use (ROU) property asset was impaired by $2.3 million in FY2023 based on the estimated settlement price for exiting the lease arrangement. The carrying value of the remaining assets of $3.3 million and associated lease liability of $4.4 million was reclassified as an asset held for sale in the FY2023 financial statements.

In June 2025, the Group entered into a sublease agreement and as such no longer intends to exit the lease arrangement with the lessor. The Canadian operations are no longer considered as discontinued operations as at 30 June 2025 and are included as continuing operations. The leased property asset is recognised as ROU asset as at 30 June 2025.

The sublease term commences 1 July 2025 and covers the remaining term of the head lease arrangement until 31 October 3031. The sublease is classified as a finance lease from 1 July 2025 since:

- The sublease transfers substantially all the risks and rewards associated with the initial ROU asset.
- The lease term covers the remaining economic life of the initial ROU asset.
- The present value of sublease payments amount to substantially all of the fair value of the ROU asset.

The right of use asset associated with the head lease agreement, (previously classified as an asset held for sale), has been derecognised on 1 July 2025 and a lease receivable is recognised, measured at the net investment in the sublease. Interest income on the sublease will be recognised over the sublease term using the effective interest method. The impairment loss of $2.3 million previously recognised in FY2023 has been reversed in the current period and has been disclosed as "Other income" from continuing operations within the North American segment.

The results of Austin Engineering Peru SAC, Austin Ingenieros Colombia S.A.S. and Chile crane business continue to be disclosed as discontinued operations. The comparative profit and cash flows from discontinued operations for the period are set out below.

	2025 $'000	2024* $'000
Revenue	-	-
Expenses	(340)	(2,104)
Income tax expense	-	-
(Loss) from discontinued operation	**(340)**	**(2,104)**
Net cash (outflow) from operating activities	(162)	(432)
Net cash (outflow) from investing activities	-	(95)
Net cash inflow from financing activities including related party funding	221	479
Net increase / (decrease) in cash generated by discontinued operations	**60**	**(48)**

* 2024 comparative numbers have been represented for reclassification from asset held for sale to right of use asset.

The cash inflows from financing activities included $0.221 (2024: $0.479 million) funded by other entities within the Group.

The assets relating to the Peruvian operations are presented as held for sale. See (b) below

(b) Assets and liabilities classified as held for sale

The Group intends to continue to dispose properties and equipment that it no longer requires in the next twelve months. The properties and equipment are located in Peru.

	Consolidated entity	
	2025 $'000	2024 $'000
Land and Building - Peru	913	**838**
Right of use asset – Building (Canada) (net of impairment)	-	2,548
Total assets classified as held for sale	**913**	**3,386**
Lease Liability (Canada)	**-**	**5,355**
Financial liabilities directly associated with assets classified as held for sale	**-**	**5,355**

Assets are classified as held for sale when its carrying value will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell.

Refer to note 37 to the financial statements on key estimates used in determining the fair value of assets held for sale.

5 Discontinued operations (continued)

(c) Assets and liabilities classified as held for sale (continued)

The movement in assets classified as held for sale during the financial year is disclosed below:

	Consolidated entity	
	2025 $'000	2024 $'000
Opening assets classified as held for sale	**3,386**	**4,513**
Transfers to right of use assets (refer note 20)	(4,231)	-
Writeback of impairment on assets held for sale (refer note 3)	2,307	-
Disposals	-	(306)
Depreciation on assets held for sale transferred to continuing operations during the year	(661)	(771)
Exchange differences	112	(50)
Closing assets classified as held for sale	**913**	**3,386**

Financial liabilities directly associated with assets classified as held for sale*	**-**	**5,355**

*Financial liabilities directly associated with assets classified as held for sale are now classified under lease liabilities.

6 Tax

(a) Income tax expense

	2025 $'000	2024* $'000
Components of income tax expense:		
Current tax - current period	6,048	8,848
Over provision in respect of prior years	(1,238)	(383)
Deferred tax - origination and reversal of temporary differences	(1,577)	(1,751)
	3,233	**6,714**
Income tax expense is attributable to:		
Profit from continuing operations	3,233	6,714
	3,233	**6,714**

* 2024 comparative numbers have been represented for change in discontinued operations. Refer Note 5 for further details.

Numerical reconciliation of income tax expense to prima facie tax payable

	2025 $'000	2024* $'000
Profit from continuing operations before income tax expense	29,560	30,988
Loss from discontinuing operation before income tax expense	(340)	(2,104)
	29,220	28,884
Tax at the Australian tax rate of 30.0% (2024 - 30.0%)	8,766	8,665
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
(Non-allowable) / non-assessable items	(204)	242
Entertainment / donations	22	22
Share option expense deduction for payment through the Employee Share Trust(i)	(5,233)	-
Over-provision for tax in prior years	(1,597)	-
Withholding Tax Expense in relation to distributions from foreign subsidiaries	-	1,343
Differences in overseas tax rates	(2,117)	(1,287)
Non-assessable items and other allowances:		
Deferred tax assets not recognised on tax losses	4,498	767
Foreign sourced income from subsidiaries	(902)	-
Recognition of carried forward tax losses	-	(3,038)
Income tax expense	**3,233**	**6,714**

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

(i) An immediate deduction has been claimed for payments made to the Austin employee share trust as a timing difference was not recognised in prior periods when it was unclear whether the trust would be utilised for this payment. A permanent adjustment has been recognised for the cash payment to the trust in the current year.

(b) Current tax asset and liability

	2025 $'000	2024 $'000
Current tax assets	2,526	502
Current tax liabilities	(813)	(5,302)
	1,713	**(4,800)**

6 Tax (continued)

(c) Deferred Tax

Deferred tax asset comprises temporary differences attributable to:

	2025 $'000	2024 $'000
Deferred tax assets / (Deferred tax liabilities)		
Trade and other payables	2,380	1,651
Employee leave entitlements	997	1,030
Warranty and other provisions	1,800	1,986
Property, plant and equipment and intangible assets	957	202
Foreign exchange	(829)	73
Leases	676	596
Tax losses	3,824	4,749
Other	1,973	816
Total deferred tax assets	**11,778**	**11,103**

	Opening balance $'000	Recognised in goodwill $	Recognised in profit or loss $'000	Recognised in equity $'000	Closing balance $'000
Movements:					
2025					
Deferred tax assets / (Deferred tax liabilities)					
Trade and other payables	1,651	-	729	-	2,380
Employee leave entitlements	1,030	-	(33)	-	997
Warranty and other provisions	1,986	-	(186)	-	1,800
Property, plant and equipment and intangible assets	202	-	755	-	957
Foreign exchange	73	-	-	(902)	(829)
Leases	596	-	80	-	676
Tax losses	4,749	-	(925)	-	3,824
Other	816	-	1,157	-	1,973
Total deferred tax assets	**11,103**	**-**	**1,577**	**(902)**	**11,778**

	Opening balance $'000	Recognised in goodwill $	Recognised in profit or loss $'000	Recognised in equity $'000	Closing balance $'000
Movements:					
2024					
Deferred tax assets					
Trade and other payables	1,472	-	179	-	1,651
Employee leave entitlements	804	-	226	-	1,030
Warranty and other provisions	1,119	-	867	-	1,986
Property, plant and equipment and intangible assets	(920)	-	1,122	-	202
Foreign exchange	(3,372)	-	-	3,445	73
Leases	764	-	(168)	-	596
Tax losses	6,042	-	(1,293)	-	4,749
Other	(2)	-	818	-	816
Total deferred tax assets	**5,907**	-	**1,751**	**3,445**	**11,103**

Unused Australian tax losses / attributes for which no deferred tax asset has been recognised amount to $11.257 million of capital losses (2024: $11.257 million), $11.774 million of revenue losses (2024: $4.323 million), and $1.003 million of research and development tax offsets (2024: $1.003 million) and fixed ratio test attributes $3.792 million at reporting date.

Unused foreign tax losses for which no deferred tax asset has been recognised amount to $60.903 million of revenue losses (2024: $44.873 million) at reporting date.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences 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 year in the countries where the Group 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 Report. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also 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 reporting year 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.

6 Tax (continued)

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.

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.

The Group's Australian subsidiaries, together with the Company, form a tax consolidated group for income tax purposes with Austin Engineering Limited as the Head Company. These entities form part of the tax funding and sharing agreement. In accordance with the tax funding agreement, the current and deferred tax balances are recognised by each party using a modified standalone payer allocation approach. The Head Company recognises current tax liabilities or assets, and deferred tax arising from unused tax losses and unused relevant tax credits, assumed from the tax funding contributing members. The contributing members recognise deferred taxes relating to temporary differences. The assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

7 Earnings per share

Basic earnings per share

	2025 Cents	2024* Cents
From continuing operations	4.29	4.14
From discontinued operations	(0.06)	(0.36)
Total basic earnings per share	4.23	3.78
Diluted earnings per share		
From continuing operations	4.20	3.92
From discontinued operations	(0.05)	(0.34)
Total diluted earnings per share	4.15	3.58

Reconciliation of earnings to loss

	2025 $'000	2024* $'000
Profit/(Loss) after tax:		
From continuing operations	26,327	24,274
From discontinued operation	(340)	(2,104)
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	25,987	22,170

Weighted average number of shares used as the denominator

	2025 Number	2024 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	613,544,097	585,916,125
Effect of dilutive securities - share based performance rights and options	12,608,667	32,956,672
Used to calculate diluted earnings per share	**626,152,765**	**618,872,797**

* Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 5 and note 36 for further details.

7 Earnings per share (continued)

Weighted average number of shares used as the denominator (continued)

(a) Performance Rights

Performance rights granted to employees under the performance rights plan whose conditions have been met at year end, excluding conditions only relating to time, are included in the calculation of diluted earnings per share assuming all outstanding rights will vest. The rights are not included in the determination of basic earnings per share. Further information about the performance rights is provided in Note 35.

(b) Options

Of the total 5,000,000 Options issued to the COO, 1,050,000 options have been converted to shares during the year. Another 1,050,000 options have vested on 15 January 2025 and are considered dilutive and included in the calculation of diluted earnings per share. Remaining 2,900,000 options are considered anti-dilutive as the average share price of the Company is below the vesting share price hurdle as of 30 June 2025.

Further information about the Options is provided in Note 35.

8 Dividends

Recognised amounts

	30 June 2025 $'000	30 June 2024 $'000
Fully franked dividend for the year ended 30 June 2024 of 0.8 cents per share, paid on 2 October 2024	4,955	-
Interim fully franked dividend for the half-year ended 31 December 2024 of 0.6 cents per share, paid on 9 April 2025	3,721	-
Interim fully franked dividend for the half-year ended 31 December 2023 of 0.6 cents per share, paid on 8 April 2024	-	2,345
Total Recognised amounts	**8,676**	**2,345**

A portion of shareholders participated in the Dividend Reinvestment Plan and reinvested $0.494 million of the amount declared (2024: $0.073 million). The cash outflow of the above dividends for the year was $8.676 million (2024: $2.245 million).

Dividends not recognised at the end of the reporting period

Subsequent to the end of the financial year, the directors declared a final dividend of 0.9 cents per share (2024: 0.8 cents) per fully paid ordinary shares. The aggregate amount of the proposed dividend expected to be paid on 6 October 2025 out of retained earnings at 30 June 2025 but not recognised as a liability, is $5.584 million.

Franking credits

	2025 $'000	2024 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2024 - 30.0%)	18,173	21,892

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.

9 Cash and cash equivalents

	2025 $'000	2024 $'000
Cash and cash equivalents	20,060	40,193
	20,060	**40,193**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position. Refer to note 24 for foreign exchange risk.

The cash and cash equivalents disclosed above and in the statement of cash flows include Australian dollar equivalent of $2.061 million (2024: $3.812 million) which are held by PT Austin Engineering Indonesia. These deposits are subject to regulatory local exchange control regulations. These regulations provide for restrictions on exporting capital, other than normal dividends. No other restriction on cash and cash equivalents held by the Group.

10 Trade and other receivables

	2025 $'000	2024 $'000
Trade receivables	63,105	46,023
Allowance for expected credit losses	(744)	(11)
Trade receivables net of expected credit losses	**62,361**	**46,012**

The carrying amounts of the consolidated entity's trade receivables are denominated in the following currencies:

	2025 $'000	2024 $'000
Australian dollars	34,416	19,213
US dollars (Australian dollar equivalent)	20,560	16,832
Chilean pesos (Australian dollar equivalent)	5,623	7,396
Indonesian rupiah (Australian dollar equivalent)	1,762	2,571
	62,361	**46,012**

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. During the reporting period, the Group reassessed the recoverability of its receivables in light of updated credit risk assessments and prevailing economic conditions. As a result, the allowance for expected credit loss increased by $0.7 million. The increase primarily relates to specific customer accounts identified as higher risk. The movement in the provision is recognised in the statement of profit or loss under Other expenses.

Refer to note 24 for more information on the consolidated entity's risk management policy, the credit quality and risk of trade receivables.

11 Contract assets

Contract assets relate to transferred goods or services where the Group is yet to establish an unconditional right to consideration. Refer to note 2 for further details.

	2025 $'000	2024 $'000
Contract assets	2,874	8,547
	2,874	**8,547**

The carrying amounts of the consolidated entity's contract assets are denominated in the following currencies:

	2025 $'000	2024 $'000
Australian dollars	1,591	469
US dollars (Australian dollar equivalent)	-	2,639
Chilean pesos (Australian dollar equivalent)	1,283	5,439
	2,874	**8,547**

12 Inventories

	2025 $'000	2024* $'000
At cost:		
Raw materials and consumables	41,104	43,326
Work in progress	40,385	26,743
Finished goods	6,430	5,054
	87,919	**75,123**

* Restated to reflect prior period adjustment. Refer to note 36 for further details.

Raw materials, consumables and work in progress
Inventories 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 sale.

An allowance for inventory obsolescence is recognised when there is objective evidence that items are no longer saleable or usable in the ordinary course of business. The allowance is based on an assessment of inventory ageing, usage patterns, and expected future recoverability. During the year, the Group reviewed its inventory holdings and recorded and allowance for inventory obsolescence of $3.3 million (2024: Nil).

13 Finance lease receivable

The Group entered into lessor finance lease arrangements with certain customers for the sale of truck bodies manufactured by the Group. The average term of finance leases entered into is 5 years. There are no unguaranteed residual values of assets under finance lease at the end of the reporting period. The average effective interest rate contracted is approximately 8% per annum. Please refer to note 24 for details on the Group's policy for impairment of financial assets, including finance lease receivables.

	Current 2025 $'000	Non-current 2025 $'000	Current 2024 $'000	Non-current 2024* $'000
Finance lease receivable				
Not later than one year	9,380	-	11,186	-
Later than one year and not later than five years	-	10,123	-	6,968
Later than five years	-	-	-	-
	9,380	10,123	11,186	6,968
Less: unearned finance income	(432)	(1,561)	(536)	(1,387)
Present value of minimum lease payments receivable	8,948	8,562	10,650	5,581
Allowance for uncollectible lease payments	-	-	-	-
	8,948	**8,562**	**10,650**	**5,581**

* Restated to reflect prior period adjustment. Refer to note 36 for further details.

14 Other assets

	2025 $'000	2024 $'000
Current		
Prepayments	3,960	3,542
Other receivables (i)	2,789	2,143
	6,749	**5,685**
Non-current		
Other receivables (ii)	200	202
	200	**202**

(i) Current other receivables predominantly consist of amounts relating to value added tax balances.
(ii) Non-current other receivables predominantly relate to lease deposits.

15 Trade and other payables

	2025 $'000	2024 $'000
Current unsecured liabilities:		
Trade payables	46,343	51,994
Accrued expenses and other payables	20,658	21,065
GST Payable	2,600	537
	69,601	**73,596**

For information about the consolidated entity's exposure to foreign exchange risk refer to note 24.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

All current trade and other payables are measured at nominal value.

The carrying amounts of the consolidated entity's trade and other payables are denominated in the following currencies.

	2025 $'000	2024 $'000
Australian dollars	10,962	11,098
US dollars (Australian dollar equivalent)	38,046	40,312
Chilean pesos (Australian dollar equivalent)	11,725	9,107
Colombian pesos (Australian dollar equivalent)	1,661	-
Peruvian nuevo soles (Australian dollar equivalent)	142	1,686
Indonesian rupiah (Australian dollar equivalent)	4,193	9,403
Singaporean dollars (Australian dollar equivalent)	155	1,777
Canadian dollars (Australia dollar equivalent)	69	62
Euro (Australian dollar equivalent)	2,530	151
Swedish Krona (Australian dollar equivalent)	21	-
South African Rand (Australian dollar equivalent)	97	-
	69,601	**73,596**

16 Contract liabilities

	2025 $'000	2024 $'000
Current		
Contract liabilities – Customers	23,582	22,361
	23,582	**22,361**

Refer note 2 in relation to accounting policy on Contract liabilities. Current contract liabilities relate to performance obligations to be satisfied within the next 12 months from reporting date.

Non-current		
Opening balance	2,163	-
Government grant received	-	2,704
Less: recognised as income during the year	(235)	(541)
	1,928	**2,163**

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight- line basis over the expected lives of the related assets.

For information about the consolidated entity's exposure to foreign exchange risk refer to note 24.

Invoicing in advance of revenue recognition is treated as contract liabilities and presented as liabilities until revenue recognition criteria is met. All current trade and other payables are measured at nominal value. Refer to note 2 (c) for further details.

The carrying amounts of the consolidated entity's contract liabilities are denominated in the following currencies.

	2025 $'000	2024 $'000
Australian dollars	9,253	9,317
US dollars (Australian dollar equivalent)	14,870	12,040
Chilean pesos (Australian dollar equivalent)	1,125	2,082
Indonesian rupiah (Australian dollar equivalent)	262	1,085
	25,510	**24,524**

17 Provisions

Current	2025 $'000	2024 $'000
Employee leave entitlements and benefits	5,564	3,838
Warranty provisions	2,288	1,356
Other	1,000	991
	8,852	**6,185**

Non-current		
Employee leave entitlements and benefits	2,271	1,676
	2,271	**1,676**

A provision is recognised in the consolidated statement of financial position when there is 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.

Employee benefits - 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.

Other long-term employee benefit obligations

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

The Group provides post-employment benefits to certain employees through defined benefit plans. These plans define the amount of benefit an employee will receive on retirement, usually dependent on factors such as age, years of service, and final salary. Defined benefit obligations are measured using the projected unit credit method, with actuarial valuations performed annually by independent actuaries. The present value of the obligation is determined by discounting estimated future cash outflows using market yields on high-quality corporate bonds with durations matching the obligations. Service cost and net interest are recognised in profit or loss. Remeasurements, including actuarial gains and losses and return on plan assets (excluding interest income), are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods .Liabilities associated with the long-term incentive scheme are included within the employee benefits obligations based on the fair value of these incentives at reporting date. Refer note 35 for further information.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Warranties

Provision is made for potential warranty claims at the reporting date and is based on management assessments of the likelihood of claims arising from products delivered during the year as well as historical costs incurred on meeting warranty claims in prior years.

18 Property, plant and equipment

	2025 $'000	2024 $'000
Freehold land		
Cost	17,581	17,212
	17,581	**17,212**
Freehold buildings		
Cost	25,190	21,855
Accumulated depreciation	(9,243)	(7,854)
	15,947	**14,001**
Plant and equipment		
Cost	54,692	47,963
Accumulated depreciation	(40,448)	(36,463)
	14,243	**11,500**
Capital work in progress		
Cost	665	210
	665	**210**
Closing net book amount	**48,436**	**42,923**

	Freehold land $'000	Freehold buildings $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
Year ended 30 June 2025					
Opening net book amount	**17,212**	**14,001**	**11,500**	**210**	**42,923**
Additions	-	3,594	5,704	526	9,824
Reallocation of capital work in progress	-	-	50	(50)	-
Disposals	-	-	(600)	-	(600)
Exchange differences	369	(997)	1,311	(21)	662
Depreciation charge	-	(651)	(3,722)	-	(4,373)
Closing net book amount	**17,581**	**15,947**	**14,243**	**665**	**48,436**

	Freehold land $'000	Freehold buildings $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
Year ended 30 June 2024					
Opening net book amount	**18,267**	**16,358**	**8,510**	**4,601**	**47,736**
Additions through acquisition of subsidiary	-	300	1,918	1,951	4,169
Reallocation of capital work in progress	-	-	5,241	(5,241)	-
Expensed to profit or loss	-	-	-	(1,086)	(1,086)
Disposals	-	-	(750)	-	(750)
Exchange differences	(1,055)	(1,245)	203	(15)	(2,112)
Depreciation charge	-	(1,412)	(3,622)	-	(5,034)
Closing net book amount	**17,212**	**14,001**	**11,500**	**210**	**42,923**

(i) ***Non-current assets pledged as security***

Refer to note 21 for information on non-current assets pledged as security by the Group.

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18 Property, plant and equipment (continued)

Cost

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	***Depreciation rate***
Buildings	2%-10%
Plant and equipment	5%-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Impairment

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. Assets that have suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

19 Intangible assets

	Goodwill $'000	Customer Relationships $'000	Intellectual property $'000	Patents $'000	Software $'000	Capital work in progress $'000	Total $'000
Year ended 30 June 2025							
Opening net book amount	17,917	4,445	1,763	842	983	-	25,950
Additions	-	-	-	160	143	570	873
Exchange differences	62	-	-	5	25	-	92
Amortisation charge	-	(544)	(216)	(136)	(352)	-	(1,248)
Closing net book amount	**17,979**	**3,901**	**1,547**	**871**	**799**	**570**	**25,667**
At 30 June 2025							
Cost	21,968	5,443	2,159	1,376	4,105	570	35,621
Accumulated amortisation and impairment	(3,989)	(1,542)	(612)	(505)	(3,306)	-	(9,954)
Net book amount	**17,979**	**3,901**	**1,547**	**871**	**799**	**570**	**25,667**

	Goodwill $'000	Customer Relationships $'000	Intellectual property $'000	Patents $'000	Software $'000	Capital work in progress $'000	Total $'000
Year ended 30 June 2024							
Opening net book amount	17,932	4,989	1,979	835	378	-	26,113
Additions	-	-	-	165	900	-	1,065
Disposal	-	-	-	-	(12)	-	(12)
Exchange differences	(15)	-	-	3	(64)	-	(76)
Amortisation charge	-	(544)	(216)	(161)	(219)	-	(1,140)
Closing net book amount	**17,916**	**4,445**	**1,763**	**842**	**983**	**-**	**25,950**
At 30 June 2024							
Cost	21,834	5,443	2,159	1,212	3,907	-	34,555
Accumulated amortisation and impairment	(3,917)	(998)	(396)	(370)	(2,924)	-	(8,605)
Net book amount	**17,917**	**4,445**	**1,763**	**842**	**983**	**-**	**25,950**

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and 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 the cash generating units ("CGU") as follows:

Cash generating unit	2025 $'000	2024 $'000
Aust Bore Pty Ltd	2,563	2,563
Austin Engineering USA Inc.	4,117	4,055
Australia (excluding Austbore)	11,299	11,299
Net carrying value	**17,979**	**17,917**

Impairment charge

An impairment assessment was performed at the end of the financial year and no impairment recognised. Similarly, no impairment was recognised in the prior year.

19 Intangible assets (continued)

Customer contracts and Intellectual property

The customer contracts and Intellectual property were acquired as part of a business combination in the prior year. They are recognised at fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful life of ten years.

Patents

Patents are recognised at cost less amortisation and any impairment. The cost of patent is recognised when it is first registered with the authorities and the useful life is determined from the registration date to the next renewal date which usually is after five to eight years of the initial recognition. They are amortised on a straight-line basis.

Software

Software is recognised at cost less amortisation and any impairment. The cost of software is recognised when it is first put to use and is amortised over the expected useful life on a straight-line basis. Expected useful life is between three and five years.

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Key assumptions used for value in use calculations

The recoverable amount of the cash generating units is based on value-in-use calculations. These calculations use cash flow projections covering a five year period that are based on financial forecasts of how the business is expected to operate based on current performance consistent with previous experience and external data, excluding any benefit expected to arise from future restructuring or from improved asset performance. Cash flows beyond the five-year period are extrapolated using perpetual growth rates.

The calculation of value-in-use for the CGUs is most sensitive to the following assumptions:

(a) Revenue forecast and cash earnings assumptions;

(b) Growth rates used within the forecast period;

(c) Discount rates; and

(d) Growth rates used to extrapolate cash flows beyond the forecast period.

In performing value-in-use calculations, the Company has applied a pre-tax discount rate to discount the forecast future cash flows. The future cash flow calculations use cash flow projections based on the FY2025 financial budgets approved by the Board. The FY2025 cashflow projections then apply a growth rate between 2% and 4.2% depending on the region and covering a five-year period. Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. A risk premium is included in each CGU's discount rate, reflecting the level of forecasting, size, country and financing risks for that CGU. The pre-tax WACC's are shown below:

Pre-tax WACC

Region	2025 %	2024 %
Australia	11.61	10.56
USA	10.73	9.28
Chile	12.80	13.19
Indonesia	14.44	12.89

Perpetual growth rates are applied based on the CGU's location. The average perpetual growth rates used for the CGU's are 2.10% (2024: 2.67%) based on the long-term growth rates experienced in the Group's end-markets and external forecasts.

20 Right-of-use assets and lease liabilities

Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor see note 13.

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2025 $'000	2024 $'000
Right-of-use assets		
Buildings	16,243	8,713
Equipment	6	548
Vehicles	87	449
	16,336	**9,710**
Lease liabilities		
Current	4,434	4,502
Non-current	14,933	7,241
	19,367	**11,743**

Additions to the right-of-use assets during the financial year ended 30 June 2025 were $20.857 million (2024: $2.503 million). The Group's leases primarily relate to real property leases, long term lease of equipment and motor vehicles. During the current year, the Canadian right-of-use property asset was reclassified from Asset Held for sale to Right-of-use asset. Refer note 5 for further details.

(ii) Amounts recognised in the statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2025 $'000	2024 $'000
Depreciation charge of right-of-use assets		
Buildings	4,126	3,440
Equipment	2	154
Vehicles	116	130
	4,244	**3,724**
Interest expense (included in finance cost)	1,608	1,633

The total cash outflow for leases in fiscal year ended 30 June 2025 was $5.010 million (2024: $4.052 million).

The Group classified lease as short-term lease for $0.060 million for year ended 2025 (2024: Nil)

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20 Right-of-use assets and lease liabilities (continued)

Leases (continued)

(iii) The group's leasing activities and how these are accounted for

(i) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(ii) Right-of-use assets

The group recognises right-of-use assets at cost at the commencement date of the lease (i.e., the date the underlying asset is available for use).

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the term and conditions of the lease, a provision is recognised and measured under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Right-of-use assets are subject to impairment in accordance with AASB 136 Impairment of Assets. Any identified impairment loss is accounted for in line with our accounting policy for 'Property, plant and equipment'.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of plant and equipment (i.e. those leases that have a lease of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

21 Financial liabilities

	Current 2025 $'000	Non-current 2025 $'000	Current 2024 $'000	Non-current 2024 $'000
Secured liabilities				
Facilities associated with continuing operations				
Bank borrowings (i)	16,522	16,333	29,644	917
Deferred consideration (ii)	-	-	3,500	-
Hire purchase liabilities	41	-	214	-
	16,563	**16,333**	**33,358**	**917**
Facilities associated with discontinued operations				
Finance liabilities associated with assets held for sale (note 5)	-	-	5,355	-
	16,563	**16,333**	**38,713**	**917**

(i) Bank borrowings:

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 $30.750 million, a multi-option line of $22.0 million and $4.570 million of transaction negotiation authority and corporate card facilities expiring on 30 November 2026.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 30 June 2025, the Group has complied with all covenants

Borrowings and hire purchase liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowings and hire purchase liabilities are subsequently measured at amortised cost.

(ii) Deferred consideration:

On 23 August 2022, Austin Engineering Limited acquired 100% of the issued shares in Mainetec Pty Ltd, an engineering and fabrication business, for consideration of $17.847 million. Transfer of Mainetec shares was completed on 11 October 2022 after the transfer of the initial cash consideration of $11.120 million to the vendors of Mainetec.

Deferred consideration relates to the amounts payable to the former shareholders of Mainetec over a two-year period to 11 October 2024. The remaining amount of $3.5 million was paid during the current year.

Deferred consideration is initially recognised at fair value and subsequently remeasured at each reporting period based on the net present value of the amounts payable. The difference in fair value is recognised in the consolidated statement of profit or loss.

Refer to note 32 for post completion arrangements in relation to the Mainetec acquisition.

Assets pledged as security - fixed/floating charge

	2025 $'000	2024 $'000
Current		
Floating charge		
Cash and cash equivalents	13,656	30,329
Receivables	58,056	35,413
Inventories	55,258	31,580
Other assets	3,272	2,819
Fixed charge		
Assets held for sale	-	2,548
Total current assets pledged as security	**130,242**	**102,689**
Non-current		
Fixed charge		
Property, plant and equipment	36,226	19,104
Intangible assets	25,655	25,884
Total assets pledged as security	**192,123**	**147,677**

21 Financial liabilities (continued)

Financing facilities

The Group had access to the following financing facilities at the reporting date:

	Consolidated entity	
	2025 $'000	2024 $'000
Total facilities		
Bank facilities - revolving credit	-	28,000
Bank facilities - bank guarantees	-	7,000
Bank facilities - Multi Option Line limit	23,930	-
Bank facilities - term loan*	30,750	11,000
	54,680	**46,000**
Utilised facilities		
Bank facilities - revolving credit	-	26,000
Bank facilities - guarantees	-	6,147
Bank facilities - Multi Option Line limit	10,566	-
Bank facilities - term loan	28,917	11,000
	39,483	**43,147**
Unused		
Bank facilities - revolving credit	-	2,000
Bank facilities - guarantees	-	853
Bank facilities - Multi Option Line limit	13,821	-
Bank facilities - term loan	-	-
	13,821	**2,853**

*The term loan balance at 30 June 2025 was $28.917 million (2024: $4.583 million).

In the current year, the financing facility for bank guarantees and revolving credit have combined into a Multi Option Line facility with a limit of $22.000 million. This facility includes sub facilities for Multiple Advance, Documentary Credit and Bank Guarantee/Standby.

22 Equity - share capital

	2025 No.	2025 $'000	2024 No.	2024 $'000
Ordinary shares				
Opening balance	586,555,743	155,952	583,339,584	155,052
Conversion of performance rights	133,722	70	3,062,295	827
Conversion of options	32,830,757	-	-	-
Share issued for dividend reinvestment plan (net of share issue costs)	1,010,055	495	153,864	73
Balance at end of year	**620,530,277**	**156,517**	586,555,743	155,952

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote per share. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options and Performance Rights Plan

For information relating to Austin Engineering Limited's employee option plan and performance rights plan, including details of options and rights issued, exercised, and lapsed during the financial year and the options and rights outstanding at the year-end, refer to note 35.

Capital management

Management controls the capital of the Group in order to maintain optimal debt to equity and leverage ratios, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's total capital is defined as the shareholders' net equity plus net debt and amounted to $159.220 million at 30 June 2025 (30 June 2024: $120.712 million). The objective when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The gearing ratios for the years ended 30 June 2025 and 30 June 2024 are as follows:

	Notes	2025 $'000	2024 $'000
Total borrowings		(32,897)	(30,561)
Cash and cash equivalents	9	20,060	40,193
Net (debt) / cash		**(12,836)**	**9,632**
Total equity		144,019	122,911
Total capital		**156,856**	**113,279**
Net gearing ratio		**8.2%**	**(8.5)%**

23 Equity – reserves

Share-based payments

The option/performance rights reserve records items recognised as expenses on the valuation of director and employee performance rights.

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulate in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Austin Inversiones Chile Ltda and Austin Arrendamientos Chile Ltda, fully owned subsidiaries of Austin Engineering Limited changed their functional currency from Chilean Peso (CLP) to US Dollar (USD) on 1 January 2025 following approval from the Chilean Tax Authority. These changes were made to better reflect the nature of the underlying transactions in these entities, as a significant portion of their transactions are conducted in USD. In accordance with AASB 121, The Effects of Changes in Foreign Exchange Rates, the change in functional currency has been applied prospectively from the date of change. This change crystallised the historical accumulated losses of these entities and resulted in a $22.175 million reduction in group accumulated losses, with a corresponding gain in the Foreign Currency Translation Reserve. Assets, liabilities, and equity balances were translated at the closing rate on the change date; income and expenses at average rates during the transaction period. This change does not affect the presentation currency of the consolidated financial statements, which remains Australian Dollars (AUD).

24 Financial risk management

The Group's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group uses, when necessary, derivative financial instruments such as foreign exchange contracts to hedge certain market risk exposures. The Group has no derivatives at the end of the financial year. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk. The Group's policy is to centralise debt and surplus cash balances and also to match the assets and liabilities currency exposure whenever possible.

Risk management is carried out by the finance function under principles and parameters approved by the Board of Directors. The finance function identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings in financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Chilean peso, Colombian peso, Peruvian nuevo soles and Indonesian rupiah as a result of its operations in the Americas and Indonesia.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Australian dollar is the functional currency for a large part of the Group's entities and business activities.

Management has put in place a policy requiring business units and group entities to manage their foreign exchange risk against their functional currency. The Group companies are required to bring significant foreign currency transactions to the attention of the central finance function for evaluation as to the use of hedging using forward foreign currency contracts, no such contracts were used during the year.

Sensitivity

A sensitivity analysis was performed at 30 June 2025, to determine how the measurement of financial instruments denominated in a foreign currency would be affected if the Australian dollar weakened or strengthened by 10%. The analysis was performed on the same basis as at 30 June 2024, as indicated below:

	Strengthening by 10%		Weakening by 10%	
	Equity $'000	Profit or loss $'000	Equity $'000	Profit or loss $'000
30 June 2025				
US dollar	(2,642)	(1,153)	3,229	1,409
Chilean peso	(2,550)	(78)	3,116	95
Indonesian rupiah	(3,308)	(684)	4,043	836
Colombian peso	484	15	(592)	(18)
Peruvian nuevo soles	40	5	(48)	(6)
Canadian dollar	629	(59)	(768)	73
Total	**(7,347)**	**(1,954)**	**8,980**	**2,389**

24 Financial risk management (continued)

Market risk (continued)

(i) Foreign exchange risk (continued)

Sensitivity (continued)

	Strengthening by 10%		Weakening by 10%	
	Equity $'000	Profit or loss $'000	Equity $'000	Profit or loss $'000
30 June 2024				
US dollar	(1,662)	(1,057)	2,031	1,292
Chilean peso	(2,365)	(300)	2,890	367
Indonesian rupiah	(2,572)	(587)	3,144	718
Colombian peso	452	174	(552)	(212)
Peruvian nuevo soles	31	22	(38)	(27)
Canadian dollar	676	144	(826)	(176)
Total	**(5,440)**	**(1,604)**	**6,649**	**1,962**

There is a finance lease receivable of US$12.775 million at 30 June 2025 included in Austin's Chilean operation, a 10% strengthening of the US dollar against the Chilean peso would result in a profit of AUD $1.773 million, whereas a 10% weakening would result in a loss of AUD $2.167 million.

(ii) Price risk

The Group is not exposed to material price risk relating to equity securities and it has therefore not been included in the sensitivity analysis.

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk predominantly arises from long-term borrowings. Borrowings at variable rates expose the group to cash flow interest rate risk and fixed interest rates expose the Group to fair value interest rate risk. The Group analyses its interest rate exposure on an ongoing basis. Various interest rate shifts are simulated taking into account refinancing, renewal of existing positions and facilities, alternative financing and hedging. Based on these interest rate shifts, the Group calculates the impact on profit or loss. The interest rate shift scenario is run only for assets and liabilities that represent the major interest-bearing positions.

The following table analyses the group's financial assets and liabilities that are subject to interest rate risk.

	Consolidated entity			
	Weighted Average Interest Rate %	2025 $'000	Weighted Average Interest Rate %	2024 $'000
Cash	0.1%	20,060	0.2%	40,193
Finance lease receivable	8.0%	17,510	8.0%	16,229
Financial liabilities – bank borrowings	6.7%	(32,897)	7.0%	(30,561)
Net exposure to cash flow interest rate risk		**4,673**		**25,861**

The Group's fixed rate borrowings relating to the deferred consideration and hire purchase liabilities and lease liabilities are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

Sensitivity

Based on the simulations performed, the annual impact on profit or loss of a one per cent shift in interest rates, with all other variables held constant, is estimated to be a maximum increase or decrease of $0.329 million (2023: $0.306 million). The simulation is performed on a bi-annual basis to estimate the maximum loss potential.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or contract, leading to a financial loss. Credit risk arises principally from cash deposits, trade receivables and finance lease receivables. Credit risk is co-operatively managed by the finance function and the operating units for customers, including outstanding receivables and committed transactions and at a Group level for credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. Only reputable banks and financial institutions are dealt with.

24 Financial risk management (continued)

Credit risk (continued)

Definition of default

The Group considers information developed internally or obtained from external sources that indicate whether a debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group) as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet this criteria are generally not recoverable. Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is significantly past due (over 120 days) unless the Group has reasonable and supportable information to demonstrate that a longer default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- significant financial difficulty of the customer;
- a breach of contract, such as a default or past due event;
- it is probable that the customer will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Trade and other receivables:

The Group's exposure to credit risk for trade and other receivables (including contract assets) as well as finance lease receivables is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Group enters into transactions with a number of high quality customers within the resources industry sector thereby minimising concentration of credit risk for trade and other receivables. The Group has multiple contracts with its significant customers, across a number of their subsidiaries, divisions within those subsidiaries and locations. The Group's activities are largely focused on the mining and mining services industry sectors and as a result its credit risk for trade and other receivables as well as finance lease receivables is concentrated in this sector.

Individual risk exposures are set for customers in accordance with specified limits established by management based on independent credit reports, financial information, credit references and the group's credit and trading history with the customer. Outstanding customer receivables are regularly monitored and any credit concerns highlighted to senior management.

The maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event that other parties fail to perform their obligations under financial instruments for each class of reporting recognised financial asset at the reporting date is the carrying amount of those assets as indicated in the statement of financial position.

Impairment loss on financial assets

The Group applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables, finance lease receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables, finance lease receivables and contract assets are grouped based on similar credit risk and aging. The contract assets and finance lease receivables have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on economic factors affecting the Group's customers.

The Group's historical losses are very low as a proportion of the Group's trade receivables as the Group's customer base is made up primarily of large, investment grade credit rated mining and manufacturing companies. In addition to this, it is standard business practice for the Group to receive deposits in advance of work being performed for a portion of sales, this lowers the Group's exposure to trade receivables credit risk.

24 Financial risk management (continued)

Credit risk (continued)

Cash and cash equivalents:

The credit risk on cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due.

The objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions. The Group has established a number of policies and processes for managing liquidity risk. These include:

- Continuously monitoring cash flows on a daily basis as well as forecasting cash flows on a medium and long-term basis;
- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows;
- Maintaining adequate reserves and support facilities;
- Monitoring liquidity ratios and all constituent elements of working capital; and
- Maintaining adequate borrowing and finance facilities.

The Group maintains backup liquidity for its operations and currently maturing debts through a combination of revolving finance facilities, of which $13.821 million remains undrawn at 30 June 2025 (2024: $2.000 million). The principal terms of repayment are detailed in note 21.

The table below analyses the Group's financial liabilities into maturity groupings based on the remaining period from the reporting date to the contractual maturity date. As amounts disclosed in the table are the contractual undiscounted cash flows including future interest payments, these balances will not necessarily agree with the amounts disclosed on the statement of financial position.

At 30 June 2025	No later than one year $'000	Between one and five years $'000	Greater than five years $'000	Contractual cash flows $'000	Carrying value $'000
Trade and other payables	69,601	-	-	69,601	69,601
Financial liabilities	18,577	19,505	-	38,082	32,896
Lease liabilities	5,304	15,100	2,498	22,902	19,367
Total	**93,482**	**34,605**	**2,498**	**130,585**	**121,864**
At 30 June 2024					
Trade and other payables	73,596	-	-	73,596	73,596
Financial liabilities	33,358	917	-	34,275	34,275
Lease liabilities	4,636	8,618	-	13,254	11,743
Total	**111,590**	**9,535**	**-**	**121,125**	**119,614**

25 Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 30 June 2025 the Group did not have any financial instruments that were measured and recorded at fair value. The following methods and assumptions are used to determine the fair values of financial assets and financial liabilities.

Cash and cash equivalents and other receivables

The carrying values approximate their fair value as they are short term in nature or are receivable on demand.

Receivables and other assets

The carrying value approximates their fair value as they are short term in nature.

Short-term borrowings and other payables

The carrying value approximates their fair value as they are short term in nature.

Long-term borrowings

The fair value of variable rate borrowings, repriced within twelve months, approximates the carrying value.

26 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 reporting date is low and that the potential quantum of these claims is not material.

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

27 Events occurring after the reporting period

On 1 July 2025, Mr Sybrandt Van Dyk commenced as CEO and Managing Director and Mr David Singleton transitioned to a Non-Executive Director role. Also on 1 July 2025, the Company announced the appointment of Mr Ian Stone as an independent Non-Executive Director.

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.

28 Interests in other entities

	Place of business/ country of incorporation	Percentage Owned 2025	2024
Parent entity			
Aust Bore Pty Ltd	Australia	100%	100%
Mainetec Pty Ltd	Australia	100%	100%
Austbuy Pty Ltd (previously Austin Engineering Treasury Pty Ltd)	Australia	100%	100%
Austin Engineering Singapore Pte Ltd	Singapore	100%	100%
Austin Engineering Offshore Pte Ltd	Singapore	100%	100%
Austin Engineering Batam Pte Ltd	Singapore	100%	100%
PT Austin Engineering Indonesia	Indonesia	100%	100%
Austin Canada Inc.	Canada	100%	100%
Austin Engineering USA Holding, Inc.	USA	100%	100%
Austin Engineering USA Services, Inc.	USA	100%	100%
Austin Engineering USA, Inc.	USA	100%	100%
Austin Engineering South America (No.1) Pty Ltd	Australia	100%	100%
Austin Engineering South America (No.2) Pty Ltd	Australia	100%	100%
Austin Inversiones Chile Ltda	Chile	100%	100%
Austin Ingenieros Chile Ltda	Chile	100%	100%
Austin Arrendamientos Chile Ltda	Chile	100%	100%
Austin Engineering Peru S.A.C	Peru	100%	100%
Austin Ingenieros Colombia S.A.S	Colombia	100%	100%
Austin Engineering Employee Share Trust	Australia	100%	100%

29 Deed of cross guarantee

Austin Engineering Limited and Mainetec Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into a deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations *(Wholly-owned Companies) Instrument 2016/785*. The Deed of Cross Guarantee was lodged with ASIC on 27 February 2024, nominating Austin Engineering Limited as the holding entity.

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 Austin Engineering 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 year ended 30 June 2025 of the closed group consisting of Austin Engineering Limited and Mainetec Pty Ltd.

Consolidated statement of comprehensive income

	Closed group 2025 $'000	Closed group 2024 $'000
Revenue from continuing operations	158,673	141,161
Other income	1,228	1,617
Expenses	(163,030)	(125,432)
Profit before income tax	**(3,129)**	**17,346**
Income tax benefit	3,982	4,724
Profit for the year	853	22,070
Other comprehensive income		
Item that may be reclassified to profit or loss		
Foreign currency translation differences, net of tax	-	-
Other comprehensive income for the year	**-**	**-**
Total comprehensive income for the year	**853**	**22,070**

29 Deed of cross guarantee (continued)

Below is a consolidated statement of financial position of the Closed Group and represents the entities subject to the Deed of Cross Guarantee.

Consolidated statement of financial position

	Closed group 2025 $'000	Closed group 2024 $'000
Assets Current assets		
Cash and cash equivalents	4,430	9,049
Trade and other receivables	33,936	18,416
Inventories	15,214	15,729
Other receivables and other assets	2,779	1,448
Related party receivables	43,244	60,517
Total current assets	**99,603**	105,159
Non-current assets		
Property, plant and equipment	3,580	4,595
Intangible assets	2,087	1,664
Deferred tax assets	10,451	10,511
Right-of- use assets	7,877	4,313
Other non-current assets	14	-
Investment	27,374	27,374
Total non-current assets	**51,383**	**48,457**
Total assets	**150,986**	**153,616**
Current liabilities		
Trade and other payables	18,030	19,646
Financial liabilities	16,563	33,247
Current tax liabilities	25	-
Provisions	6,801	4,204
Lease liabilities	2,022	3,096
Total current liabilities	**43,440**	**60,193**
Non-current liabilities		
Trade and other payables	1,550	-
Financial liabilities	16,333	917
Provisions	844	680
Lease liabilities	7,346	2,935
Total non-current liabilities	**26,073**	**4,532**
Total liabilities	**69,513**	**64,725**
Net assets	**81,473**	**88,891**
Equity		
Share capital	156,517	155,953
Retained earnings	(102,203)	(92,806)
Profit reserve	26,840	25,259
Other reserves	(4,444)	(3,543)
Share based payment reserve	4,763	4,028
Total equity	**81,473**	**88,891**

30 Parent entity financial information

Summary financial position

The individual financial report for the parent entity shows the following aggregate amounts:

Statement of financial position	2025 $'000	2024 $'000
Current assets	101,744	101,089
Non-current assets	46,674	42,984
Total assets	**148,418**	**144,073**
Current liabilities	35,396	48,578
Non-current liabilities	24,722	4,412
Total liabilities	**60,118**	**52,990**
Net assets	**88,300**	**91,083**
Equity		
Contributed equity	156,517	155,952
Share-based payment reserve	4,763	4,028
Accumulated losses	(99,820)	(94,156)
Profits Reserve	26,840	25,259
	88,300	**91,083**
Profit for the year	5,495	25,657
Other comprehensive income	-	-
Total comprehensive income	**5,495**	**25,657**

Contractual commitments for the acquisition of property, plant or equipment

There was no significant capital expenditure contracted for at the end of the reporting year but not recognised as liabilities (2024: nil).

Contingent liabilities

The Parent entity is part of the closed group as disclosed in Note 29. Except for this, the parent entity does not have any contingent liabilities as at 30 June 2025. (2024: nil).

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial report of Austin Engineering Limited. Dividends received from subsidiaries are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

Impairment of investments in subsidiaries by the parent entity is undertaken in the same manner as impairment of intangible assets as disclosed in note 19. In FY2025, the Company did not recognise any impairments in respect of investments in, and loans to, subsidiary companies (2024: nil).

Profits reserve

There was a transfer to the profit reserve of $10.258 million for the period 1 July 2024 to 31 December 2024 in accordance with Board approval. The 2024 final dividend of $4.955 million and the 2025 interim dividend of $3.721 million was paid out of the profit reserve during the year. Remaining distributable profits available to the Group at 30 June 2025 was $26.840 million (2024: $25.259 million).

In the prior year, there was a transfer to the profit reserve of $15.560 million for the period 1 July 2023 to 31 December 2023 and $10.144 million for the period 1 January 2024 to 30 June 2024 in accordance with Board approval. The 2024 interim dividend of $2.345 million was paid out of the profit reserve during the prior year.

31 Cash flow information

(a) Reconciliation of profit after income tax to net cash flow from operating activities

	2025 $'000	2024 $'000
Profit for the year	**25,987**	**22,170**
Adjustment for -		
Depreciation and amortisation	9,892	9,900
Unrealised foreign exchange gain / (loss)	255	(1)
Impairment expense	3,420	-
Write back of impairment on asset held for sale	(2,307)	-
(Loss) / Profit on disposal of property, plant and equipment	(144)	103
Share based payment expense	2,959	1,240
Change in operating assets and liabilities –		
(Increase) in receivables	(11,452)	(9,610)
Decrease / (Increase) in other assets	347	1,002
(Increase) in inventories	(14,439)	(11,606)
(Decrease) / Increase in payables	(7,469)	24,616
(Decrease) / Increase in income taxes payable and deferred	(8,164)	371
Increase) /(decrease) in other provisions	3,702	(2,686)
Net cash inflow from operating activities	**2,587**	**35,499**

(b) Non-cash investing and financing activities

	2025 $'000	2024 $'000
Acquisition of property, plant and equipment by means of leases	20,857	2,503

(c) Net debt reconciliation

Net debt	2025 $'000	2024 $'000
Cash and cash equivalents	20,060	40,193
Financial liabilities – repayable within one year	(16,563)	(33,358)
Financial liabilities – repayable after one year	(16,333)	(917)
Lease liabilities - repayable within one year	(4,434)	(4,502)
Lease liabilities - repayable after one year	(14,933)	(7,241)
Net debt	**(32,203)**	**(5,825)**

31 Cash flow information (continued)

(c) Net debt reconciliation (continued)

	Cash and cash equivalents $'000	Lease liabilities due within 1 year $'000	Lease liabilities due after 1 year $'000	Financial liabilities - repayable within one year $'000	Financial liabilities - repayable after one year $'000	Total $'000
Net debt as at 30 June 2024	40,193	(4,502)	(7,241)	(33,358)	(917)	(5,825)
Cash flows	(20,991)	6,618	-	16,795	(15,416)	(12,994)
Acquisitions	-	(1,570)	(6,987)	-	-	(8,557)
Transfer from financial liability related to assets held for sale (refer note 5)	-	(939)	(3,997)			(4,936)
Foreign exchange movements	858	48	(1,430)	-	-	(524)
Transfer in maturity category	-	(4,502)	4,502	-	-	-
Other changes – Exit of lease arrangement	-	413	220	-	-	633
Net debt as at 30 June 2025	20,060	(4,434)	(14,933)	(16,563)	(16,333)	(32,203)

	Cash and cash equivalents $'000	Lease liabilities due within 1 year $'000	Lease liabilities due after 1 year $'000	Financial liabilities - repayable within one year $'000	Financial liabilities - repayable after one year $'000	Total $'000
Net debt as at 30 June 2024	20,167	(4,525)	(9,100)	(33,712)	(8,107)	(35,277)
Cash flows	19,888	5,686	-	4,068	(917)	28,725
Acquisitions	-	(583)	(2,332)	(3,714)	-	(6,629)
Foreign exchange movements	138	(444)	(445)	-	8,107	7,356
Transfer in maturity category	-	(4,636)	4,636	-	-	-
Net debt as at 30 June 2024	40,193	(4,502)	(7,241)	(33,358)	(917)	(5,825)

32 Remuneration of auditors

	Consolidated entity 2025 $	 2024 $
Auditor of the parent entity (BDO Audit Pty Ltd) for:		
Auditing or reviewing the financial reports of any entity in the Group	358,239	290,500
Network firms of BDO Audit Pty Ltd:		
Auditing or reviewing the financial reports	280,056	239,940
Taxation services (income tax return lodgement)	26,729	26,263
Other services	69,371	-
	376,156	266,203
Remuneration of other auditors (non BDO Audit Pty Ltd or related Network firms):		
Auditing or reviewing the financial reports	41,960	52,911
Total auditors' remuneration	**776,355**	**609,614**

33 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Ultimate parent company

Austin Engineering Limited is the ultimate parent company.

33 Related party transactions (continued)

Controlled entities

Interests in subsidiaries are set out in note 28.

Transactions with other related parties and outstanding balances
During the year, the Group engaged Remsmart to provide remuneration consulting services to establish a job grading framework, remuneration benchmarking for top 50 roles, and recommending a go-forward remuneration framework. Linda O' Farrell was the Chair of Remsmart. An amount of $43,725 was paid in relation to these services in 2024 and $21,863 was paid in 2025. There is no amount payable in relation to these services at 30 June 2025.

Other than those disclosed above, there were no transactions with related parties during the year (2024: Nil) and no amounts outstanding to related parties at 30 June 2025 (2024: Nil).

34 Key management personnel compensation

	2025 $	2024 $
Short-term employee benefits	2,207,216	1,457,876
Post-employment benefits	136,810	130,234
Long-term benefits	169,010	816,992
	2,513,036	**2,405,102**

Detailed remuneration disclosures are provided in the remuneration report on pages 46 to 57.

35 Share-based payments

Equity settled share-based payments form part of the remuneration of employees (including executives) of the Group. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options and performance rights with the relative TSR performance measure is calculated at the grant date using the Monte-Carlo simulation model, taking into account, amongst other things, the impact of the TSR condition and that right holders are not entitled to dividends during the vesting period. The fair value of performance rights with the relative EPS performance measure is calculated using the Black-Scholes pricing model, taking into account that right holders are not entitled to dividends during the vesting period.

The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Group has the following share-based payment arrangements:

- Performance rights
- Options
- Cash incentive arrangements
- Share based payments relating to post completion arrangements following Mainetec acquisition. Refer note 21 for details regarding the valuation of these shares-based payments.

The net expense arising from share-based payment transactions recognised during the period as part of employee benefits expense was $2.959 million (2024: $1.240 million).

35 Share-based payments (continued)

Performance rights

On 23 November 2018, the shareholders of the company voted to approve the Austin Engineering Limited (Austin) Performance Rights Plan. This plan was reapproved at the 2021 AGM and the 2024 AGM. 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.

As at reporting date, outstanding Performance Rights granted on the terms and conditions of the Company's Performance Rights Plan and vesting details are set out below:

Grant Date	Performance Conditions	Performance Period	Test Date	Number of Rights	Expiry Date
25-July-22	Tenure	1-Jun-22 to 30-Jun-23 1-Jun-22 to 30-Jun-24 1-Jun-22 to 30-Jun-25	30-Jun-23 30-Jun-24 30-Jun-25	230,166	1-Aug-27
06-Nov-23	EPS and TSR	1-Jul-23 to 30-Jun-26	30-Jun-26	957,000	06-Nov-28
08-Apr-24	EPS and TSR	1-Jul-23 to 30-Jun-26	30-Jun-26	240,096	08-Apr-29
06-Feb-25	EPS and TSR	1-Jul-24 to 30-Jun-27	30-Jun-27	6,033,500	27-Aug-29
		Forfeited/Converted/Lapsed in respect of the above		(401,166)	
			Total	**7,059,596**	

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

Out of the 6,033,500 performance rights granted during the year, 433,300 performance rights were issued to the Chief Financial Officer.

The following table shows the performance rights granted, expired/forfeited, exercised, outstanding and exercisable at the reporting date:

	2025 No.	Weighted Average Exercise Price 2025 $	2024 No.	Weighted Average Exercise Price 2024 $
Outstanding at beginning of year	1,245,540	-	3,292,461	-
Granted	6,033,500	-	1,197,096	-
Expired	-	-	-	-
Exercised	(133,722)	-	(3,062,295)	-
Forfeited/lapsed	(85,722)	-	(181,722)	-
Outstanding at end of year	**7,059,596**	**-**	**1,245,540**	**-**
Total exercisable at end of year	**-**	**-**	**-**	**-**

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

Grant date	Performance Rights	Expiry date	Exercise price	Share Price Grant date	Est. volatility	Risk free interest rate	Weighted average fair value rights granted	Fair Value TSR	Fair Value EPS	Fair Value Tenure
25/07/22	Tenure	01/08/27	-	$0.245	N/A	3.1%	$0.225	N/A	N/A	$0.225
06/11/23	EPS and TSR	06/11/28	-	$0.25	50%	4.36%	$0.175	$0.100	$0.250	N/A
08/04/24	EPS and TSR	08/04/29	-	$0.47	50%	3.71%	$0.393	$0.3155	$0.4700	N/A
06/02/25	EPS and TSR	27/08/29	-	$0.54	45%	3.58%	$0.368	$0.1951	$0.5409	N/A

The expected price volatility is based on the historic volatility (based on the remaining life of the rights), adjusted for any expected changes to future volatility due to publicly available information.

35 Share-based payments (continued)

Options

At the Annual General Meeting held on 26 November 2021, shareholders approved the issue of 42,900,000 Options as part of the Chief Executive Officer's remuneration package. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Number of Options	Expiry Date	Share price at grant date	Exercise price	Hurdle rate	Est. volatility	Risk-free interest rate	Dividend yield	Fair value of option
26/11/2021	13,200,000	30/06/2024	$0.21	$0.13	$0.20	48%	0.10%	2.85%	$0.088
26/11/2021	13,800,000	30/06/2024	$0.21	$0.13	$0.24	48%	0.10%	2.85%	$0.084
26/11/2021	15,900,000	30/06/2024	$0.21	$0.13	$0.28	48%	0.10%	2.85%	$0.076

The Options are divided into nine tranches and are each subject to two separately considered performance conditions, both of which must be satisfied in respect of each tranche and before that particular tranche will vest and become capable of exercise. The applicable performance conditions are set out in the following table:

		Share Price Hurdle			
		20 cents	24 cents	28 cents	Total
Retention Dates	30 June 2022	(Tranche1) 4,400,000	(Tranche 2) 4,600,000	(Tranche 3) 5,300,000	**14,300,000**
	30 June 2023	(Tranche 4) 4,400,000	(Tranche 5) 4,600,000	(Tranche 6) 5,300,000	**14,300,000**
	30 June 2024	(Tranche 7) 4,400,000	(Tranche 8) 4,600,000	(Tranche 9) 5,300,000	**14,300,000**
	Total	**13,200,000**	**13,800,000**	**15,900,000**	**42,900,000**

All the above 42,900,000 Options vested as of 30 June 2024 on satisfaction of the performance conditions. On 10 September 2024, these options were converted to 32,509,223 ordinary shares by cashless exercise based on a 5-day VWAP of $0.536726.

5,000,000 Options were issued to the Chief Operating Officer, in accordance with the terms of the Option Plan on 12 January 2023. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Number of Options	Expiry Date	Share price at grant date	Exercise price	Hurdle rate	Est. volatility	Risk-free interest rate	Dividend yield	Fair value of option
04/01/23	1,530,000	04/01/2026	$0.35	$0.35	$0.45	50%	3.04%	2.5%	$0.121
04/01/23	1,620,000	04/01/2026	$0.35	$0.35	$0.55	50%	3.04%	2.5%	$0.116
04/01/23	1,850,000	04/01/2026	$0.35	$0.35	$0.65	50%	3.04%	2.5%	$0.110

The Options are divided into nine tranches and are each subject to two separately considered performance conditions, both of which must be satisfied in respect of each tranche and before that particular tranche will vest and become capable of exercise. The applicable performance conditions are set out in the following table:

		Share Price Hurdle			
		45 cents	55 cents	65 cents	Total
Retention Dates	4 January 2024	(Tranche 1) 510,000	(Tranche 2) 540,000	(Tranche 3) 616,666	**1,666,666**
	4 January 2025	(Tranche 4) 510,000	(Tranche 5) 540,000	(Tranche 6) 616,667	**1,666,667**
	4 January 2026	(Tranche 7) 510,000	(Tranche 8) 540,000	(Tranche 9) 616,667	**1,666,667**
	Total	**1,530,000**	**1,620,000**	**1,850,000**	**5,000,000**

35 Share-based payments (continued)

Of the above options issued to the Chief Operating Officer, 510,000 options (Tranche 1) vested on 2 May 2024 and 540,000 (Tranche 2) options vested on 26 July 2024 following satisfaction of the applicable retention and share price performance conditions. On 13 September 2024, these 1,050,000 vested options were converted to 321,534 ordinary shares by cashless exercise based on a 5-day VWAP of $0.504485.

On 15 January 2025, 1,050,000 options granted under Tranche 4 and Tranche 5 vested following satisfaction of the applicable retention and share price performance conditions.

The following table shows the Options granted, expired/forfeited, exercised, outstanding and exercisable at the reporting date:

	2025 No.	Weighted Average Exercise Price 2025 $	2024 No.	Weighted Average Exercise Price 2024 $
Outstanding at beginning of year	47,900,000	0.13	47,900,000	0.13
Granted	-	-	-	-
Expired	-	-	-	-
Exercised	(43,950,000)	-	-	-
Forfeited/lapsed	-	-	-	-
Outstanding at end of year	3,950,000	0.35	47,900,000	0.13
Exercisable at end of year	-	-	47,900,000	0.13
Exercisable at end of year	1,050,000	0.35	28,600,000	0.35

Cash Incentive Arrangement

The Company entered into a cash incentive arrangement with the CFO on 21 November 2022. The valuation model inputs used to determine the fair value are as follows.

Grant date	Share price at grant date	Est. volatility	Risk-free interest rate
21/11/22	$0.27	60%	3.20%

The applicable performance conditions are set out below. The CFO must be employed with the Company at the end of each Performance Period.

Period	Performance period	LTI achievement hurdle	Test date
1	1 December 2022 to 30 June 2024	Max 60-day VWAP > 34 cents[1]	1 July 2024
2	1 July 2024 to 30 June 2025	Max 60-day VWAP > 41 cents *Un-earnt incentive from Period 1 can be earnt if the VWAP is above 34 cents*	1 July 2025
3	1 July 2025 to 30 June 2026	Max 60-day VWAP > 47 cents *Un-earnt incentive from Period 1 and 2 can be earnt if the VWAP is above 34 and 41 cents respectively*	1 July 2026

[1] *where the VWAP is of the listed shares of Austin Engineering Limited*

The Incentive for each Performance Period will be calculated using the following formula:

PERIOD	INCENTIVE CALCULATION
1	[(Max 60-day VWAP) -22 cents] x 972,094
2	[(Max 60-day VWAP) - 22 cents] x 613,953
3	[(Max 60-day VWAP) -22 cents] x 613,953

Where:
Maximum 60-day VWAP = the lower of the actual maximum 60-day VWAP in dollars for the Performance Period or 75 cents.

For Performance Period 1 and 2, the amount earnt will be calculated and "banked" until the end date of 1July 2026 at which point all vested incentives will be recalculated using the following formula. The recalculation will only occur based on the formula above if the Chief Financial Officer is in the employ of the Company at the end date of 1 July 2026.

35 Share-based payments (continued)

The Maximum Incentive that can be earnt in each Performance Period is as follows:

PERIOD	PERFORMANCE PERIOD	MAXIMUM INCENTIVE
1	1 December 2022 to 30 June 2024	($0.75 – $0.22) x 972,094 = **$515,210**
2	1 July 2024 to 30 June 2025	($0.75 -$0.22) x 613,953 = **$325,395**
3	1 July 2025 to 30 June 2026	($0.75 -$0.22) x 613,953 = **$325,395**
	TOTAL	**$1,166,000**

Incentive for performance periods 1 and 2
The Incentive for Performance Period 1 as outlined above has been determined in FY2024. The 60-day VWAP ending 30 June 2024 was 52.97 cents. The calculation was as per below:

Calculation = [$0.5297-$0.22] x 972,094 = $301,057.51

As outlined above the above, and amount of $301,057.51 was “banked” until the end date of 1 July 2026 at which point all vested incentives will be recalculated using the above formula. The recalculation will only occur based on the formula above if the Chief Financial Officer is in the employ of the Company at the end date of 1 July 2026.

The incentive for Performance Period 2 was tested in FY2025. The 60-day VWAP ending 30 June 2025 was 35.87 cents which was lower than the hurdle of the 60 day VWAP being 41 cents. As this hurdle was not bet, no incentive was bank in relation to performance period 2.

Post completion arrangements relating to the Mainetec acquisition

Under the terms of the Mainetec acquisition agreement Austin also entered into a post- completion arrangement to incentivise continued employment and further performance over a three-year period. Under this arrangement, up to $6.0 million can be paid (in Austin shares) if various performance hurdles are met. Those incentive hurdles relate, respectively, to:

General revenue – up to $3.0 million

Revenue from Mainetec’s buckets business must equal or exceed an agreed annual revenue target in any financial year prior to 30 June 2025 (for the full earn-out amount to be paid). Revenue below a lower (but still substantial) baseline figure will not qualify for any payment, and payment will be pro-rated for revenue that exceeds the baseline (but is less than the target).

Dipper revenue – up to $2.0 million

Aggregate revenue for the period 1 July 2022 to 30 June 2025 from worldwide sales of Mainetec sourced new dippers and related sales (but excluding sales that relate to existing work in progress and any further Australian refurbishing or rebuild work) must equal or exceed an agreed revenue hurdle. If aggregate revenue is below this, no amount is payable.

New business offering – up to $1.0 million

Mainetec entering into a new (Australia wide) contract (for a new business line) at prices acceptable to Austin with a large Australian mining company (or any of its related bodies corporate) and four other operators prior to 30 June 2025. If these contracts are not entered into, no amount is payable.

The number of shares that may be issued are calculated by dividing the revenue earnout amount under the three categories described above divided by the Issue Price. Issue price is the price per Austin Share equal to the volume weighted average price of fully paid ordinary shares in Austin traded on the ASX, measured over the 30 days prior to the third anniversary date, but subject to the minimum issue price equal to the floor price. If when determining the number of shares to be issued under the agreement, the issue price is less than the floor price, then Austin is required to make a cash payment on the day on which the earn out shares are issued to each vendor equal to the shortfall relevant to the vendor.

The binding agreement was entered into between Austin, the three individual founders of Mainetec, and the three shareholders of Mainetec at the acquisition date (each of which is associated with one of the founders). Each of the three founders will be required to continue to be employed by Austin at the end of the three-year incentive period in order for the associated vendor to receive any earn-out shares. In accordance with the requirements of accounting standards, these post completion arrangements are considered share-based payments for employment services and will be expensed over the three-year service period, with the expense weighted based on management’s assessment of the probability that the relevant conditions will be met. As at the end of the reporting period, Management has assessed the probability of the earn out shares vesting. An expense of $2.0 million was recognised in the current period. (2024: Nil).

36 Restatement of comparatives

During the financial year ended 30 June 2025, the Company undertook a review of its contractual arrangements within its Chilean operations, with a particular focus on the recognition of revenue in accordance with applicable accounting standards. As part of this process, the Company engaged external technical accounting experts to assist in evaluating the underlying agreements and the application of relevant revenue recognition principles.

As a result of the review, the Company reassessed the point at which revenue should be recognised in respect of a key customer arrangement, concluding that revenue recognition should occur at the point of installation of truck bodies rather than at an earlier stage. This represents a misapplication of accounting standards and has been applied retrospectively. In addition, the review identified an error in the prior year financial statements, whereby revenue was recognised in advance of completion of the performance obligation under the contract. This treatment was not in compliance with the Company’s accounting policies and resulted in an overstatement of revenue and EBIT in the year ended 30 June 2024. The Directors are satisfied that the quantum of the error is not material in the context of the Group’s prior period results (being 1.6% of reported revenue and 7.3% of Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA). However, Austin has restated the Group’s 2024 results to correct the error in accordance with the requirements of Australian Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The error has been corrected by restating each of the affected financial statement line items for the prior period. In addition to the restatement, as noted in note 5, the Austin Canada operations, previously considered discontinued are now included as part of continuing operations. Prior year comparative information has also been represented to reflect this change as noted in the table below.

Impact on presentation of the Statement of profit or loss and other comprehensive income

	Notes	2024 $'000 Reported	2024 $'000 Profit increase/ (decrease)	2024 $000 Restated	2024 $'000 Adjustment to represent loss from continuing operations	2024 $'000 Restated
Revenue from continuing operations	2	313,240	(4,892)	308,348	-	308,348
Other income	3	4,233	(622)	3,611	9	3,620
Expenses						
Raw materials and consumables used		(122,741)	907	(121,835)	-	(121,835)
Employment expenses		(72,765)	552	(72,213)	-	(72,213)
Occupancy and utility expenses		(7,434)	-	(7,434)	(167)	(7,602)
Depreciation expense		(7,989)	-	(7,989)	(738)	(8,727)
Production operational expenses	4b	(19,034)	143	(18,891)	-	(18,891)
Other expenses	4c	(17,133)	-	(17,133)	(154)	(17,287)
Finance costs		(2,201)	-	(2,201)	(457)	(2,658)
Profit before income tax from continuing operation		**36,409**	**(3,912)**	**32,496**	**(1,508)**	**30,988**
Income tax expense	6	(6,714)	-	(6,714)	-	(6,714)
Profit after income tax expense from continuing operation		**29,694**	**(3,912)**	**25,782**	**(1,508)**	**24,273**
Loss from discontinued operation	5	(3,612)	-	(3,612)	1,508	(2,104)
Profit after income tax expense for the year		**26,082**	**(3,912)**	**22,170**	**-**	**22,170**
Foreign currency translation differences, net of tax						
Foreign		(8,904)	149	(8,755)	-	(8,755)
Total comprehensive income for the year		**17,178**	**(3,763)**	**13,415**	**-**	**13,415**
Profit for the year is attributable to:						
Owners of Austin Engineering Limited		**26,082**	**(3,912)**	**22,170**	**-**	**22,170**
Total comprehensive income for the year is attributable to:						
Owners of Austin Engineering Limited		**17,178**	**(3,763)**	**13,415**	**-**	**13,415**

36 Restatement of comparatives (continued)

Impact on presentation of the Statement of profit or loss and other comprehensive income (continued)

	Notes	2024 $'000 Reported	2024 $'000 Profit increase/ (decrease)	2024 $'000 Restated	2024 $'000 Adjustment to represent loss from continuing operations	2024 $'000 Restated
		Cents Reported	Cents Adjustment	Cents Restated	Cents Adjustment	Cents Restated
Earnings per share from continuing operations attributable to the owners of Austin Engineering Limited:						
Basic earnings per share (cents per share)		5.07	(0.67)	4.40	(0.26)	4.14
Diluted earnings per share (cents per share)		4.80	(0.64)	4.16	(0.24)	3.92
Earnings per share from discontinued operations attributable to owners of Austin Engineering Limited:						
Basic earnings per share (cents per share)		(0.62)	-	(0.62)	0.26	(0.36)
Diluted earnings per share (cents per share)		(0.58)	-	(0.58)	0.24	(0.34)
Earnings per share attributable to owners of Austin Engineering Limited:						
Basic earnings per share (cents per share)		4.45	(0.67)	3.78	-	3.78
Diluted earnings per share (cents per share)		4.22	(0.64)	3.58	-	3.58

36 Restatement of comparatives (continued)

Impact on presentation of Statement of financial position as at 1 July 2023

	Notes	2023 $'000 Reported	$'000 Increase/ (decrease)	2023 $'000 Restated
Current assets				
Inventories	12	68,750	3,202	71,952
Total current assets		**155,840**	**3,202**	**159,042**
Non-current assets				
Finance lease receivables	13	14,456	(6,872)	7,584
Total non-current assets		**105,128**	**(6,872)**	**98,256**
Total assets		**260,968**	**(3,670)**	**257,298**
Liabilities				
Current liabilities		128,184	-	128,184
Non-Current liabilities		18,586	-	18,586
Total liabilities		**146,770**	**-**	**146,770**
Net assets		**114,198**	**(3,670)**	**110,528**
Equity				
Accumulated losses	22	(32,956)	(3,670)	(36,626)
Reserves	23	(7,898)	-	(7,898)
Total equity		**114,198**	**(3,670)**	**110,528**

Impact on presentation of Statement of financial position as at 30 June 2024

	Notes	2024 $'000 Reported	$'000 Adjustment	2024 $'000 Restated
Current assets				
Inventories	12	70,381	4,742	75,123
Total current assets		**185,356**	**4,742**	**190,098**
Non-current assets				
Finance lease receivables	13	17,756	(12,175)	5,581
Total non-current assets		**107,644**	**(12,175)**	**95,469**
Total assets		**293,000**	**(7,433)**	**285,567**
Liabilities				
Current liabilities		150,659	-	150,659
Non-Current liabilities		11,997	-	11,997
Total liabilities		**162,656**	**-**	**162,656**
Net assets		**130,344**	**(7,433)**	**122,911**
Equity				
Accumulated losses		(9,219)	(7,582)	(16,801)
Reserves	23	(16,389)	149	(16,240)
Total equity		**130,344**	**(7,433)**	**122,911**

The restatement changes did not have any impact on the recognised tax balances.

The restatement changes did not have any impact on the Statement of Cashflows.

37 Critical accounting estimates and judgements

Key estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of intangibles

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and require the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. For information relating to the value-in-use calculations refer to note 19.

Taxation - Carried forward tax losses

The Group has tax losses that have the potential to reduce tax payments in future years. Deferred tax assets have been recognised to the extent that their recovery is probable, having regard to the projected future taxable income of these taxable entities and after taking account of specific risk factors that affect the recovery of these assets.

Fair value of held for sale

The Group assesses fair value of assets held for sale each period with reference to external valuation information. In respect to property assets, the Group utilise a valuation from a third-party independent valuations expert to assess fair value. Valuations take into account comparable sales in the area and physical condition of the facilities. In respect to plant and equipment relating to discontinued operations, the Group valued this equipment based on the highest offer received at reporting date for these assets, less estimated costs to sell.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The average incremental borrowing rate across leases is 8.12% (2024: 8.69%).

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes model to value the rights with the EPS performance conditions or tenure performance conditions and a Monte-Carlo simulation to value the rights with the TSR performance conditions. Options and cash settled incentives are valued using a Monte-Carlo simulation. Refer to note 35 for key assumptions used in the valuation.

Impairment of right-of-use asset

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and require the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. For more information relating to the value-in-use calculations refer to note19.

Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Warranty provision

In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

37 Critical accounting estimates and judgements (continued)

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, based on Inco terms of the contract, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Bill and Hold Transactions

The company occasionally enters into bill and hold arrangements with customers at their request, recognising revenue when the goods are billed and physically segregated in the holding yard, as this is when the performance obligation is satisfied and the risks and rewards of ownership have transferred to the customer. Key considerations include the transaction being initiated at the customer's request, the goods being clearly identified and set aside, the customer's acknowledgement of the arrangement, and the maintenance of relevant documentation.

Taxation – Transfer pricing

The Group has applied IFRIC 23 Uncertainty over Income Tax Treatments in assessing its income tax liabilities. IFRIC 23 requires entities to evaluate whether it is probable that a taxation authority will accept each tax treatment, including those related to transfer pricing arrangements. During the year, the Group entered into intercompany transactions involving cross-border services and goods. The transfer pricing methodology applied to these transactions is subject to interpretation and may be challenged by relevant taxation authorities. Management has exercised significant judgement in determining the appropriate arm's length pricing and has considered the likelihood of acceptance by the taxation authorities.

38 Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial report are for the Group consisting of Austin Engineering Limited and its subsidiaries.

(a) New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period and have not been early adopted by the group. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(b) Basis of preparation

The general purpose financial report has been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Austin Engineering Limited is a for-profit entity for the purpose of preparing the financial report. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

In preparing the financial report on the going concern basis management has considered the following factors:

- As at 30 June 2025, the Group has net current assets of $68.505 million (2024: $39.706 million)
- As at 30 June 2025, the Group has a net asset position of $144.019 million (2024: $122.911 million)
- The Group generated positive cashflows from operating activities of $2.587 million for the year ended 30 June 2025 (2024: $35.499 million)
- The Group has a net debt position of $12.795 million as at 30 June 2025 (2024: Net cash position of $9.632 million).

(c) Principles of consolidation and equity accounting

(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 business combinations by the Group. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Inter-company 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.

38 Material accounting policy information (continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial report 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 report are presented in Australian dollars ($), which is Austin Engineering 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 relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

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

- assets and liabilities are translated at the closing rate at the reporting date,
- income and expenses for each Consolidated statement of profit or loss and Consolidated statement of profit or loss and other 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, the associated 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 operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

38 Material accounting policy information (continued)

(e) 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.

(f) 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 noncurrent 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 statement of profit or loss.

(g) Rounding of amounts

All amounts disclosed in the Financial report and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

(h) Comparative figures

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

Consolidated entity disclosure statement

Name of entity	Type of entity	Trustee	% of share capital	Country of Incorporation	Australian resident	Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Austin Engineering Limited	Body Corporate	n/a	100	Australia	Yes	n/a
Aust Bore Pty Ltd	Body Corporate	n/a	100	Australia	Yes	n/a
Mainetec Pty Ltd	Body Corporate	n/a	100	Australia	Yes	n/a
Austbuy Pty Ltd (previously Austin Engineering Treasury Pty Ltd)	Body Corporate	n/a	100	Australia	Yes	n/a
Austin Engineering South America (No.1) Pty Ltd	Body Corporate	n/a	100	Australia	Yes	n/a
Austin Engineering South America (No.2) Pty Ltd	Body Corporate	n/a	100	Australia	Yes	n/a
Austin Engineering Singapore Pte Ltd	Body Corporate	n/a	100	Singapore	Yes	Singapore*
Austin Engineering Offshore Pte Ltd	Body Corporate	n/a	100	Singapore	Yes	Singapore*
Austin Engineering Batam Pte Ltd	Body Corporate	n/a	100	Singapore	Yes	Singapore*
PT Austin Engineering Indonesia	Body Corporate	n/a	100	Indonesia	No	Indonesia
Austin Canada Inc.	Body Corporate	n/a	100	Canada	No	Canada
Austin Engineering USA Holding, Inc.	Body Corporate	n/a	100	USA	Yes	USA*
Austin Engineering USA Services, Inc.	Body Corporate	n/a	100	USA	No	USA
Austin Engineering USA, Inc.	Body Corporate	n/a		USA	No	USA
Austin Inversiones Chile Ltda	Body Corporate	n/a	100	Chile	No	Chile
Austin Ingenieros Chile Ltda	Body Corporate	n/a	100	Chile	No	Chile
Austin Arrendamientos Chile	Body Corporate	n/a	100	Chile	No	Chile
Austin Engineering Peru S.A.C	Body Corporate	n/a	100	Peru	No	Peru
Austin Ingenieros Colombia S.A.S	Body Corporate	n/a	100	Colombia	No	Colombia
Austin Engineering Employee Share Trust	Trust	CPU Share Plans Pty Limited	100	Australia	Yes	n/a

* These entities are also a tax resident in their respective countries of incorporation. However, they are assessed as an Australian resident under the Income Tax Assessment Act 1997 and therefore not classified as a foreign resident under that Act. *(voluntary disclosure)*

Consolidated entity disclosure statement (continued)

Basis of Preparation

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

Determination of Tax Residency

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

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

Australian tax residency

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

Foreign tax residency

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

Directors' declaration
30 June 2025

In the Directors' opinion:

(a) the Financial report and notes set out on pages 61 to 111 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 2025 and of its performance for the financial year ended on that date, and

(b) the remuneration disclosures contained in the Remuneration Report in the Directors' Report comply with section 300A of the *Corporations Act 2001*.

(c) there are reasonable grounds to believe that the Austin Engineering Limited will be able to pay its debts as and when they become due and payable.

(d) the information disclosed in the attached consolidated entity disclosure statement on pages 112 to 113 is true and correct.

(e) there are reasonable grounds to believe that the entities identified as members of the “closed group” (as defined in Note 29 to the financial statements), being parties to a Deed of Cross Guarantee dated 27 February 2024, will be able to meet any obligations or liabilities to which they are, or may become, subject under that deed.

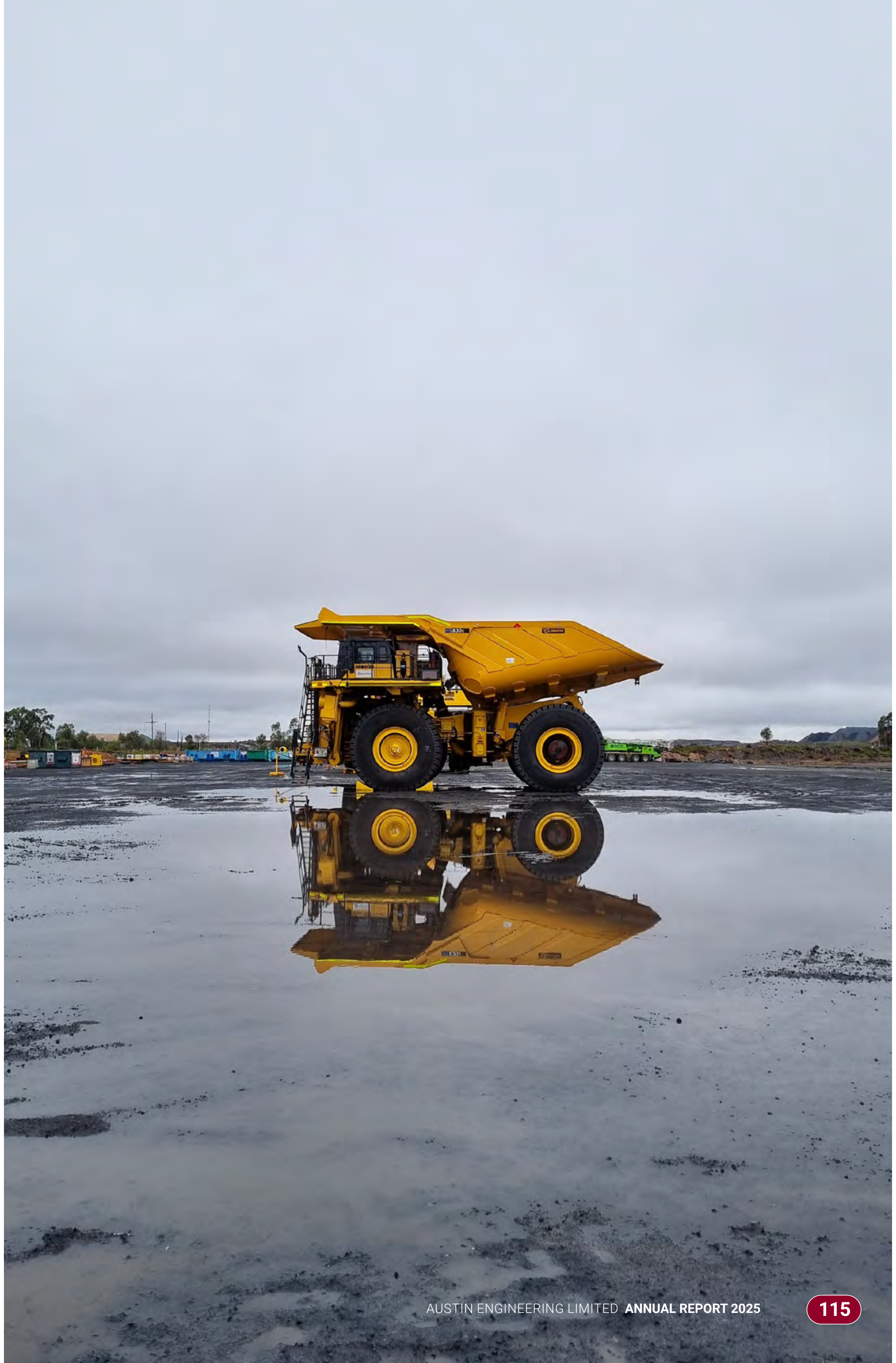
Note 38 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 Board of Directors.

Jim Walker
Non - Executive Chair

25 August 2025
Perth



independent auditor's report

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Austin Engineering Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Austin Engineering Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key audit matters

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

Impairment assessment

Key audit matter	How the matter was addressed in our audit
Note 19 in the financial report discloses the assets and the assumptions used by the Group in testing these assets for impairment. This was determined to be a key audit matter as management's assessment of the recoverability of the intangible assets is supported by a value in use model which requires the use of estimates and judgements about future operating performance. These include judgements and estimates over the expectation of future revenues, anticipated budgeted costs, growth rates and the discount rate applied.	Our audit procedures included, but were not limited to: • Evaluating the Group's identification of Cash Generating Units ("CGUs") and the allocation of goodwill to the carrying value of CGUs based on our understanding of the Group's business; • Challenging key inputs used in the value in use calculations including the following: ○ Assessing the discount rate used by involving internal valuation experts and comparing to market data and industry research; ○ Comparing growth rates with historical data and economic and industry growth forecasts; ○ Assessing the Group's forecast cash flows is consistent with our knowledge of the business, board approved budget and corroborating our work with external information where possible; ○ Performing sensitivity analysis on the revenue, growth rates and discount rates; and • Assessing the adequacy of the related disclosures in the financial report.

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Revenue recognition

Key audit matter	How the matter was addressed in our audit
Revenue is disclosed in Note 2 of the financial report. We identified revenue recognition as a key audit matter. This is due to the significance of revenue as a key driver of the organisation and the complexity involved in ensuring compliance with Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* ("AASB 15") across different geographic locations and multiple revenue streams. This complexity was heightened during the year by a specific issue identified in relation to a contract with a major customer in Chile ('Chile contract'). Management determined that certain tray bodies had been incorrectly recognised as revenue in the prior year, despite not being completed as at 30 June 2024. This required a reassessment of revenue recognition and an adjustment to correct the misstatement. Refer to note 36 for details.	Our procedures included, but were not limited to the following: • Assessing the Group's accounting policy for revenue to assess for compliance with AASB 15 Revenue from Contract with Customers ("AASB 15"); • testing a sample of revenue transactions throughout the year to supporting documentation to confirm that revenue was recognised upon transfer of control of the goods to the customer in accordance with relevant contract terms; • Conducting cut-off procedures around the reporting period to verify that revenue was recognised in the appropriate financial year and where applicable, contract liabilities have been appropriately recorded at year end; • Testing bill and hold revenue transactions to ensure they met the criteria for revenue recognition under AASB 15; • Engaging our internal IFRS specialist to assist in reviewing Group's revenue recognition of the Chile contract to assess compliance with AASB 15; • Reviewing the production and delivery status of tray bodies related to the Chile contract to confirm whether revenue recognition criteria had been met; • Evaluating the adjustment made by management to correct revenue previously recognised in error; and • Assessing the adequacy of the related disclosures in the financial report.

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Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

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

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

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

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

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BDO

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 46 to 57 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Austin Engineering Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

Dean Just

Director

Perth, 25 August 2025

shareholder information

1 August 2025

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 1 August 2025.

A. Distribution of equity securities

Range of Holding	Number of Shareholders	No of Shares
1 - 1000	689	211,608
1,001 - 5,000	996	2,740,197
5,001 - 10,000	476	3,755,353
10,001 - 100,000	1,292	49,076,210
100,001 and over	368	564,746,909
Total	**3,821**	**620,530,277**

The number of shareholders holding less than a marketable parcel of ordinary shares is 802 (being 1,409 Shares as at 1 August 2025).

B. Performance Rights

The Company has 7,059,596 Performance Rights on issue. Performance Rights do not entitle the holders to vote in respect of that performance right, nor participate in dividends, when declared, until such time as the performance rights vest and are subsequently registered as ordinary shares.

C. Distribution of Performance Rights

The number of performance right holders, by size of holding, are:

D. Range

Range of Holding	Number of Shareholders	No of Shares
1 - 1000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	6	427,500
100,001 and over	22	6,632,096
Total	**28**	**7,059,596**

E. Options

The Company has 3,950,000 Unlisted Options on issue. Options do not entitle the holders to vote in respect of that option, nor participate in dividends, when declared, until such time as the options are exercised and are subsequently registered as ordinary shares.

F. Distribution of Options

The number of option holders, by size of holding, are:

Range of Holding	Number of Shareholders	No of Shares
1 - 1000	1	3,950,000
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	-	-
100,001 and over	-	-
Total	**1**	**3,950,000**

G. Voting rights

All ordinary shares issued by the company carry one vote per share without restriction.

H. Restricted Securities

There are no restricted securities on issue.

I. Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number held	Percentage
Thorney Investment Group Australia Pty Ltd	126,448,231	20.38%
Wilson Asset Management (International) Pty Ltd	63,449,488	10.23%

1. See ASX Announcement on 22 May 2025.
2. See ASX Announcement on 12 March 2025

J. Twenty largest shareholders

	Ordinary shares	
Name	**Number held**	**Percentage of issued shares**
UBS NOMINEES PTY LTD	128,952,000	20.78
CITICORP NOMINEES PTY LIMITED	117,271,373	18.9
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	53,521,212	8.63
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	29,766,914	4.8
BNP PARIBAS NOMS PTY LTD	24,101,134	3.88
MR DAVID SINGLETON	16,254,612	2.62
JILL MARJORIE SINGLETON	16,254,611	2.62
SUPER SMART INVESTMENTS PTY LTD <BARRY & NAOMI KING S/F A/C>	9,000,000	1.45
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	6,194,227	1
CERTANE CT PTY LTD <CHARITABLE FOUNDATION>	5,301,336	0.85
SANDHURST TRUSTEES LTD <WENTWORTH WILLIAMSON A/C>	5,000,000	0.81
CERTANE CT PTY LTD <BIPETA>	4,578,383	0.74
ACE PROPERTY HOLDINGS PTY LTD	4,560,000	0.73
PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C>	4,211,642	0.68
UPTON TRADING PTY LTD	3,725,319	0.6
MR BARRY PAUL KING	3,300,000	0.53
CIRCUMFERENCE CAPITAL CT PTY LTD <CIRCUMFERENCE CAPITAL A/C>	3,179,050	0.51
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,964,175	0.48
PINDAN INVESTMENTS PTY LTD <PINDAN INVESTMENT A/C>	2,600,000	0.42
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	2,512,377	0.4
Total	**443,248,365**	**71.43**

K. Securities Exchange Quotation

The Company's ordinary shares are listed on the Australian Securities Exchange (Code: ANG). The Home Exchange is Perth.

L. On-market Share Buy-back

There is no current on-market buy-back.

M. Corporate Governance Statement

The Company's Corporate Governance Statement for the 2025 financial year can be accessed at:

https://www.austineng.com/corporate-governance/

company information

Austin Engineering Limited

Principal place of business and Perth office

100 Chisholm Crescent
Kewdale WA 6105
Australia

T: +61 8 9334 0666
F: +61 89359 2390

Principal Australian operations

Queensland

Mainetec Pty Ltd
21 Gateway Drive
Paget QLD 4740

T: +61 7 4955 7888

Aust Bore Pty Ltd
12-16 Progress Drive
Paget QLD 4740

T:+61 7 4952 6222
F:+61 7 4952 6223

International operations

Indonesia

PT Austin Engineering Indonesia
Jl. Mass Surya Negara Kav. B2
Kawasan Industrial Terpadu Kabil
Riau
29467 Indonesia

T: +62 778 711 999

USA

Austin Engineering USA, Inc
415 First Street
Mills Wyoming 82644

T:+1 307 235 6475
F:+1 307 235 3306

Chile

Austin Ingenieros Chile Ltda
Camino a la Minera No. 254
La Negra Antofagasta, Chile

T:+56 55 2 657 400

Share Registry

Computershare Investor Services
Level 17
221 St Georges Terrace
Perth WA 6000

T: +61 8 9323 2000

Lawyers

Johnson Winter & Slattery
Level 49
152-158 St Georges Terrace
Perth WA 6000

Auditors

BDO
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Principal Bankers

HSBC bank Australia
Level 33, QV1
250 St Georges Terrace
Perth WA 6000

Company Secretary

Sarah Wilson

Stock Exchange

Australian Securities Exchange

ASX Code

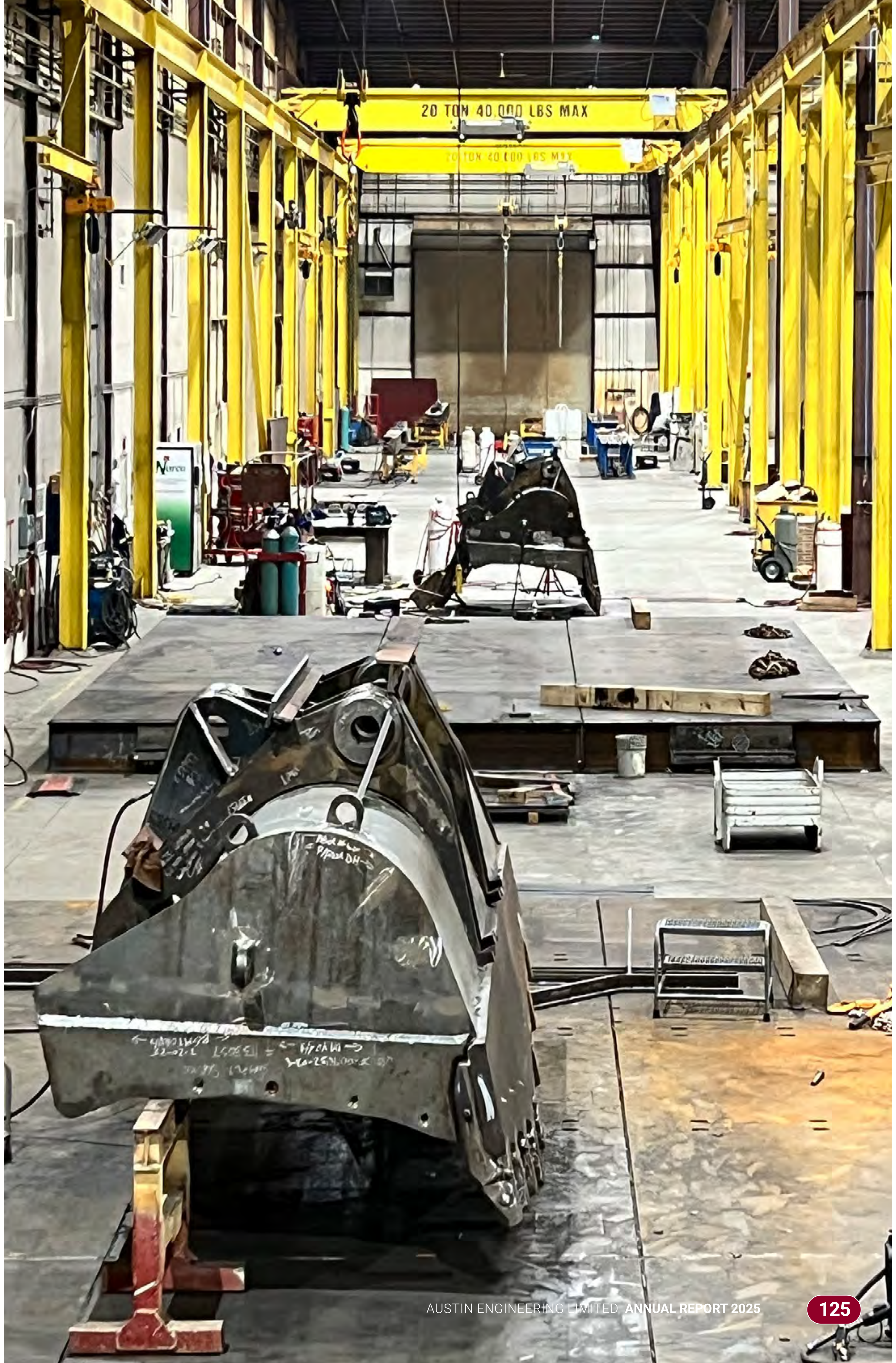
ANG

Website

www.austineng.com

ABN

60 078 490 136



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