



31 December 2025

Appendix 4D

For the half year ended 31 December 2025

Simonds Group Limited

ACN: 143 841 801

This half year financial report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2.A.



31 December 2025

SIMONDS GROUP LIMITED (ASX: SIO)
APPENDIX 4D
HALF YEAR ENDED 31 DECEMBER 2025

Half year ended: 31 December 2025
Previous corresponding period: 31 December 2024

Results for Announcement to the Market for the half year ended 31 December 2025					
Revenue from ordinary activities from continuing operations	Up	\$44.7m	by	14.1%	to \$362.8m
Profit from ordinary activities before tax from continuing operations	Up	\$2.0m	by	66.7%	to \$5.0m
Profit from ordinary activities after tax from continuing operations	Up	\$1.4m	by	70%	to \$3.4m
Loss after tax from discontinued operations	Down	(\$0.2m)	by	(100%)	to (\$0.4m)
Profit after tax	Up	\$1.1m	by	57.9%	to \$3.0m
Profit attributable to members	Up	\$1.1m	by	57.9%	to \$3.0m

Refer to the Simonds Group Limited Interim Financial Report and the Director's Report for commentary on the above results.

Net tangible asset backing per ordinary share	Amount per share (cents)
As at 31 December 2025 (including right-of-use assets)	0.85
As at 30 June 2025 (including right-of-use assets)	(0.33)

Net assets backing per share as at 31 December 2025 was 6.31 cents (30 June 2025: 5.43 cents)

Dividends	Amount per share	Franked amount per share
For the half year ended 31 December 2025 (cents)	-	-
For the half year ended 31 December 2024 (cents)	-	-

Other Information

This information is based on the financial report which has been reviewed by PKF Melbourne Audit & Assurance Pty Ltd.

For a brief explanation of the results presented in this Appendix 4D, please refer to the ASX announcement on the results for the half year ended 31 December 2025 and the financial report.

Simonds Group Limited

ABN 54 143 841 801

Interim Financial Report for the half year ended 31 December 2025



Tower 2, Level 17/727 Collins Street, Docklands, VIC 3008

simonds.com.au

Simonds Group Limited

Interim Financial Report for the half year ended 31 December 2025

Contents	Page
Directors' report	5
Auditor's independence declaration	9
Independent Auditor's Review Report to the Members of Simonds Group Limited	10
Directors' declaration	12
Condensed consolidated statement of profit or loss and other comprehensive income	13
Condensed consolidated statement of financial position	14
Condensed consolidated statement of changes in equity	15
Condensed consolidated statement of cash flows	16
Notes to the condensed consolidated financial statements	17

Directors' report

The Directors of Simonds Group Limited (the "Company") submit herewith the financial report of the consolidated entity consisting of the Company and the entities it controlled (the "Group") for the half year ended 31 December 2025. To comply with the provisions of the *Corporations Act 2001*, the directors report is as follows:

Information about the directors

The names of the directors of the Company during or since the end of the half year are:

Name	Initial Date appointed ¹	Current Position
Rhett Simonds	20 April 2016	Chief Executive Officer (CEO) and Executive Chair
Mark Simonds	20 September 2017	Executive Director
Piers O'Brien	20 September 2017	Non-Executive Director
Andrew Bloore	27 July 2021	Non-Executive Director
Richard Grellman	9 May 2023	Independent Non-Executive Director
Michael Sukkar ²	21 August 2025	Independent Non-Executive Director

Operating and financial review

Principal activities

The Group's principal activities during the half year were the design, sale and construction of residential dwellings. In addition, the Group has been working with domestic building insurers to support customers that are impacted by builder insolvencies in Victoria.

Business overview

Building homes since 1949, Simonds Homes is one of Australia's largest volume homebuilders, with display homes located in Victoria, Queensland and South Australia. The diverse product range offered by the Group caters to every type of buyer with single and double-storey detached homes, medium-density developments, and dual occupancy projects. The Group serves both metropolitan areas of state capitals and large regional cities, ensuring quality and choice for all customers.

¹ At the Company's 2025 Annual General Meeting the Company received a "second strike" on its Remuneration Report and the conditional spill resolution was carried by shareholders. Consequently, the Company held an extraordinary general meeting on 21 January 2026 (Spill Meeting) at which each of the directors (other than the Managing Director Rhett Simonds) who held office at the time the 2025 Remuneration Report was approved, ceased to hold office and stood for re-election. This applied to Mark Simonds, Andrew Bloore, Richard Grellman and Piers O'Brien. Michael Sukkar was appointed after the 2025 Remuneration Report was approved, so was not required to vacate his office. Each of Mark Simonds, Andrew Bloore, Richard Grellman and Piers O'Brien were re-elected at the Spill Meeting.

² On 21 August 2025 Simonds announced the appointment of Hon. Michael Sukkar as an Independent Non-Executive Director.

Operations

Group revenue from continuing operations for the period was \$362.8 million, an increase of \$44.7 million (14.1%) year on year. Growth was driven by a higher number of jobs under construction, reflecting the contribution from the acquisition of Dennis Family Homes (“DFH”) in the prior year and the positive impact of the Group’s investment in bringing alternative sales channels on stream.

Simonds Homes recorded 904 site starts, up 171 starts (23.3%), reflecting the successful integration of DFH operations and increased activity across the diversified channel mix.

Gross margin improved by \$15.5 million due to higher revenue and stronger margin performance across the portfolio. Further gains were achieved through ongoing optimisation of construction costs and improvements in onsite productivity.

The Group remains focused on cost efficiency. First-half operating expenditure includes final DFH integration costs and the relocation of the corporate head office, which provides enhanced workspace and amenities. Profit after tax increased year on year, consistent with the Group’s strengthened growth trajectory.

Financial position and cashflow

The Group maintains a healthy liquidity position of \$43.8 million, comprising \$20.4 million in cash and \$23.4 million of undrawn banking facilities. This provides adequate coverage for working capital requirements, supports growth initiatives, and ensures prudent liquidity buffers.

Balance sheet movements reflect ongoing investment in renewing the display network and the development of the new customer experience centre and head office.

Future developments

The Victorian market has shown renewed confidence, with residential sales increasing year on year and expanding the forward order pipeline. While near-term trading conditions will continue to be influenced by interest rate movements and consumer sentiment, the Group remains cautiously optimistic about its medium-term outlook.

Customer demand continues to favour affordable housing solutions, including turnkey products and designs for smaller lots. The Group’s multi-channel operating model supports responsiveness to these preferences and evolving market conditions.

Continued investment in Medium Density and Wholesale channels aims to strengthen the construction pipeline, diversify revenue streams, and maintain disciplined margin and risk management.

The third round of funding announced under the Housing Australia Future Fund (HAFF), targeting the delivery of 21,000 affordable and social homes, supports long-term demand and offers additional development opportunities for the Group.

For the remainder of the financial year, the Board remains focused on cost efficiency, disciplined capital allocation, and targeted investments, including the rollout of the new customer activity centre, while maintaining balance sheet strength.

Summary of key business risks

The Board acknowledges that delivery of strategic objectives and financial performance may be affected by internal and external risks, including those inherent to residential construction and broader macroeconomic conditions. The Group's risk management framework provides structured processes for identifying, assessing, and mitigating financial, operational, and business risks, with regular reporting to management, the Audit & Risk Committee, and the Board.

Macroeconomic Environment

Interest rate movements continue to influence customer borrowing capacity and demand. While the retail channel experienced increased activity reflected through a higher number of deposits, elevated interest rates remain a headwind. Conversely, market conditions have created opportunities in ready-build homes, medium-density projects, and government-related work. The Group continues to diversify its sales mix and closely monitor market indicators across all operating regions.

Liquidity

Given the working-capital-intensive nature of residential construction, liquidity management remains a priority. The Group maintains a strong liquidity position and continues to closely monitor treasury activities and cashflow movements to mitigate impacts from unexpected fluctuations.

Information Technology (IT) security and data breaches

The Group faces ongoing risks associated with IT and data security, including potential cyber incidents involving unauthorised access or loss of sensitive information. Controls include continuous system monitoring, regular data flow validation, penetration testing, and independent cyber security reviews. Investment in IT infrastructure and security capabilities remains a priority amid a rapidly evolving threat landscape.

Health and safety

Operating within a high-risk environment, the Group is committed to providing a safe and secure workplace for employees, customers, and suppliers. Ongoing investment in training and awareness programs supports risk management, with active participation in industry initiatives to improve safety outcomes.

Business combinations and partnerships

The Group continues to evaluate growth opportunities, including potential business combinations. Governance controls ensure disciplined capital allocation and risk oversight.

Following the acquisition of DFH in FY25, integration has been completed, and management continues to monitor performance to ensure sustained delivery of expected outcomes.

Subsequent events

On 16 February 2026, the Group announced that it had entered into a 50:50 joint venture with Atlas Building to undertake residential construction projects in Western Australia. This arrangement provides an opportunity to enter the Western Australian residential market, further diversifying the Group's geographic footprint.

There are no other events that have occurred subsequent to the reporting date that may significantly affect the Group's operations, results or state of affairs in future periods.

31 December 2025

Dividends

The directors have determined that no dividend will be declared in relation to the 31 December 2025 half year (31 December 2024: nil).

Auditor's independence declaration

The auditor's independence declaration is included after this report on page 9.

Rounding of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, and in accordance with that Class Order amounts in the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to be "Rhett Simonds", written over a horizontal line.

Rhett Simonds

Executive Chair and Chief Executive Officer

Melbourne, 16 February 2026



PKF Melbourne Audit & Assurance Pty Ltd
ABN 75 600 749 184
Level 15, 500 Bourke Street
Melbourne, Victoria 3000

T: +61 3 9679 2222
F: +61 3 9679 2288
info@pkf.com.au
pkf.com.au

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SIMONDS GROUP LIMITED

In relation to our review of the financial report of Simonds Group Limited for the half-year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (b) no contraventions of any applicable code of professional conduct.

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

A handwritten signature in black ink that reads 'PKF' in a stylized, cursive font.

PKF
Melbourne, 16 February 2026

A handwritten signature in black ink that reads 'Kenneth Weldin' in a cursive font.

Kenneth Weldin
Partner



PKF Melbourne Audit & Assurance Pty Ltd
ABN 75 600 749 184
Level 15, 500 Bourke Street
Melbourne, Victoria 3000

T: +61 3 9679 2222
F: +61 3 9679 2288
info@pkf.com.au
pkf.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SIMONDS GROUP LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Simonds Group Limited ('the Company') and its Subsidiaries (collectively 'the Group'), which comprises the condensed consolidated statement of financial position as at 31 December 2025, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the Directors' Declaration.

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

- (a) giving a true and fair view of the financial position of the Group as at 31 December 2025, and of its consolidated financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-Year Financial Report* section of our report.

We are independent of the Group in accordance with 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 review of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the Half-Year Financial Report

The Directors' of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the Directors determine is necessary to enable the

PKF Melbourne Audit & Assurance Pty Ltd is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.



preparation of the half-year financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in black ink that reads 'PKF'.

PKF
Melbourne, 16 February 2026

A handwritten signature in black ink that reads 'K. Weldin'.

Kenneth Weldin
Partner

Directors' declaration

The directors declare that:

- a) the interim financial statements and notes of Simonds Group Limited set out on pages 13 to 26 are in accordance with the Corporations Act 2001 (Cth), including:
 - (i) complying with the applicable Accounting Standards and the Corporations Regulations 2001 (Cth); and
 - (ii) giving a true and fair view of the financial position of the Simonds Group Limited as at 31 December 2025 and of their performance for the half year ended on that date; and
- b) there are reasonable grounds to believe that Simonds Group Limited will be able to pay their debts as and when they become due and payable.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to be "Rhett Simonds", written over a horizontal line.

Rhett Simonds

Executive Chair and Chief Executive Officer

Melbourne, 16 February 2026

Condensed consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2025

	Notes	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Continuing operations			
Revenue	2	362,762	318,115
Cost of sales		(278,353)	(249,204)
Gross profit		84,409	68,911
Expenses	4	(66,544)	(55,331)
Profit before financing items, depreciation and amortisation		17,865	13,580
Depreciation and amortisation charges		(11,699)	(9,164)
Profit before financing items and tax		6,166	4,416
<i>Financing items</i>			
Interest income		143	-
Interest expense		(1,283)	(1,387)
Net financing cost		(1,140)	(1,387)
Profit before tax		5,026	3,029
Income tax expense		(1,643)	(992)
Profit from continuing operations after tax		3,383	2,037
Discontinued operations			
Loss from discontinued operations after tax	5	(352)	(172)
Profit after tax for the half year		3,031	1,865
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
Total comprehensive income for the half year		3,031	1,865
Earnings per share		Cents per share	Cents per share
From continuing operations			
Basic	9	0.94	0.57
Diluted	9	0.93	0.57
From continuing and discontinued operations			
Basic	9	0.84	0.52
Diluted	9	0.83	0.52

The accompanying notes form part of these financial statements.

Condensed consolidated statement of financial position

As at 31 December 2025

	Notes	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Assets			
<i>Current Assets</i>			
Cash and bank balances		20,406	23,338
Trade and other receivables		28,603	46,078
Accrued revenue		36,747	38,732
Inventories	8	30,901	21,208
Other assets		4,757	2,793
Total current assets		121,414	132,149
<i>Non-Current Assets</i>			
Property, plant and equipment		3,840	2,526
Intangible assets		19,645	20,712
Right-of-use assets	12	29,269	15,747
Deferred tax assets		-	37
Total non-current assets		52,754	39,022
Total assets		174,168	171,171
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables		71,042	83,337
Deferred revenue		19,621	15,855
Borrowings	7	1,372	754
Lease liability		11,787	11,595
Provisions		12,907	14,629
Contingent consideration		4,610	7,630
Total current liabilities		121,339	133,800
<i>Non-Current Liabilities</i>			
Lease liability		18,237	5,241
Provisions		10,433	10,693
Contingent consideration		-	1,900
Deferred tax liabilities		1,455	-
Total non-current liabilities		30,125	17,834
Total liabilities		151,464	151,634
Net Assets		22,704	19,537
Equity			
Issued capital	11	37,867	37,867
Reserves	10	21,795	21,659
Accumulated losses		(36,958)	(39,989)
Total equity		22,704	19,537

The accompanying notes form part of these financial statements.

Condensed consolidated statement of changes in equity

For the half year ended 31 December 2025

	Issued capital \$'000	Share buy-back reserve \$'000	Share based payments reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 July 2024	37,867	(7,204)	28,848	(41,004)	18,507
Employee share plan expense	-	-	2	-	2
Profit for the period			-	1,865	1,865
Balance at 31 December 2024	37,867	(7,204)	28,850	(39,139)	20,374
Balance at 1 July 2025	37,867	(7,204)	28,863	(39,989)	19,537
Employee Share plan expense	-	-	136	-	136
Profit for the period	-	-	-	3,031	3,031
Balance at 31 December 2025	37,867	(7,204)	28,999	(36,958)	22,704

The accompanying notes form part of these financial statements.

Condensed consolidated statement of cash flows

For the half year ended 31 December 2025

Notes	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Cash flows from operating activities		
Receipts from customers	424,630	389,006
Payments to suppliers and employees	(409,756)	(371,484)
Cash generated from operations	<u>14,874</u>	<u>17,522</u>
Interest received	143	-
Finance costs	(1,283)	(1,387)
<i>Net cash generated from operating activities</i>	<u>13,734</u>	<u>16,135</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	23
Payments for property, plant and equipment	(2,262)	(1,223)
Payments for intangible assets	(777)	(1,564)
Payments of contingent consideration	(4,920)	-
<i>Net cash used in investing activities</i>	<u>(7,959)</u>	<u>(2,764)</u>
Cash flows from financing activities		
Net proceeds of borrowings	618	813
Repayment of lease liability	(9,325)	(8,036)
<i>Net cash used in financing activities</i>	<u>(8,707)</u>	<u>(7,223)</u>
Net (decrease) / increase in cash and cash equivalents	(2,932)	6,148
Cash and cash equivalents at the beginning of the period	<u>23,338</u>	<u>1,647</u>
<i>Cash and cash equivalents at the end of the period</i>	<u>20,406</u>	<u>7,795</u>

The accompanying notes form part of these financial statement

Notes to the condensed consolidated financial statements

1 Material Accounting Policy Information

Statement of compliance

This half year financial report is a general purpose condensed consolidated half year financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*' ("AASB 134"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

The half year report does not include any notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below and in the most recent annual financial report.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2025. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Application of new and revised accounting standards

Amendments to AASBs and the new interpretation that are mandatorily effective for the current period

There are no new standards effective in the current financial year that have a material effect on the financial statements of the Group.

Standards and interpretations on issue not yet adopted

At the date of signing these financial statements, the Directors have reviewed all Standards and Interpretations on issue but not yet effective and do not expect these Standards and Interpretations to have a material effect on the financial statements of the Group.

2 Revenue

The following is an analysis of the Group's revenue for the half-year (excluding interest income).

	Notes	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Continuing operations			
Revenue from residential construction contracts		362,762	318,115
		362,762	318,115
Discontinued operations	5	-	-

Notes to the consolidated financial statements (continued)

3 Segment information

Products and services from which reportable segments derive their revenue

Information on segment performance focuses on the types of products and services the Group provides.

No operating segments have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group's reportable segments are as follows:

- *Residential construction* - this includes activities relating to contracts for residential home construction, speculative home building and the building of display home inventory.
- *Discontinued operations*
 - Madisson Homes is a subsidiary of the Group and in the prior years formed part of the residential construction segment. Madisson Homes operated in the medium density market, building apartments and townhouses for commercial developers using the concepts, designs and specifications provided by the developers. Consistent with the prior reporting period, this business unit has been presented as a discontinued operation.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

	Segment revenue		Segment profit / (loss) before tax	
	Half year ended		Half year ended	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Continuing operations				
Residential construction	362,762	318,115	5,026	3,029
	362,762	318,115	5,026	3,029
Discontinued operations				
Residential construction	-	-	(503)	(246)
	-	-	(503)	(246)
Consolidated segment revenue and profit before tax for the period	362,762	318,115	4,523	2,783

31 December 2025

Segment assets and liabilities

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Segment assets		
Residential construction	173,764	170,728
	173,764	170,728
Discontinued operations	404	406
Total segment assets	174,168	171,134
Deferred tax assets	-	37
Total assets	174,168	171,171
Segment liabilities		
Residential construction	149,534	151,113
	149,534	151,113
Discontinued operations	475	521
Total segment liabilities	150,009	151,634
Deferred tax liabilities	1,455	-
Total liabilities	151,464	151,634

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments. Intersegment assets and liabilities have been eliminated from the figures quoted above.

4 Expenses for the half year

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Continuing operations		
(Loss) / profit on disposal of property, plant and equipment and intangibles	(5)	7
Marketing and selling expenses	(10,805)	(7,836)
Corporate and administrative expenses	(12,278)	(10,495)
Employee benefits expense	(43,456)	(37,007)
	(66,544)	(55,331)

5 Discontinued Operations

Madisson Business

Following a comprehensive review initiated by the Directors on 16 November 2015, the Group announced a plan for the orderly closure of the Madisson business unit of the Group on 21 January 2016 upon completion of the remaining projects. All projects were completed in financial year ended 30 June 2017. As part of the warranty rules under the statutory regulations, the business is still incurring warranty claims. As such, the expenses are predominantly related to warranty and related activities.

Loss for the half year from Madisson business is summarised as follows:

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Expenses		
Insurance claim & litigation proceeds ¹	38	-
Administrative and Employee Benefits Expenses	(541)	(246)
Loss before tax	(503)	(246)
Attributable income tax benefit	151	74
Loss after tax for the period	(352)	(172)

¹ Amounts received from the Group's insurer in relation to a claim made in respect of defective work performed by a contractor, and in settlement of litigation against that contractor.

6 Dividends

During the half year ended 31 December 2025 the Group has not made any dividend payments (June 2025: \$nil) and no interim dividend has been declared for the half year ended 31 December 2025.

7 Borrowings

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Current</i>		
Other borrowings	1,372	754
	1,372	754

Summary of borrowing arrangements

Details of the Group's borrowing facilities as at 31 December 2025 are as follows:

Facility	Utilised \$'000	Unutilised \$'000	Interest Charge	Description	Maturity Date
Contingent Liability Facility ¹	3,986	514	Fixed Market Rate	The Group's facilities are secured by all Simonds Group Limited corporate entities. Simonds have re-negotiated the existing corporate finance facility arrangements in place with Commonwealth Bank Australia.	Ongoing
Market Rate Loan Facility	-	3,000	Variable Market Rate		31 December 2027
Overdraft Facility	-	18,000	Overdraft Index Rate		31 December 2026
Corporate Charge Card Facility	1,000	-	Cash advance interest rate	Charged Card facility made available to Simonds Group	Ongoing
Equipment Finance Facility	6,146	1,854	Fixed Market Rate	Assets under finance leases are secured by the assets leased with repayment periods not exceeding 5 years.	Ongoing
Total	11,132	23,368			

In addition to the debt facility outlined above the Group has additional facilities as below:

Facility	Utilised \$'000	Unutilised \$'000	Interest Charge	Description	Maturity Date
Insurance Premium Funding	1,372	-	Fixed Interest Rate	The Group entered into a premium funding contract with IQumulate Premium Funding Pty Ltd, which covers various corporate insurances for period from November 2025 to October 2026.	31 July 2026

¹ Contingent liability facility is mainly used to cover Bank Guarantees.

Notes to the consolidated financial statements (continued)

8 Inventories

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Display homes, land stock	24,193	15,949
Speculative homes	6,853	5,368
Provision for impairment of inventories	(145)	(109)
	30,901	21,208

The impairment provision of display homes above is assessed using recent market values. This assessment includes current independent valuations, current offers to purchase the display homes, and current asking prices to sell these display homes.

9 Earnings per share

	31 Dec 2025 Cents per share	31 Dec 2024 Cents per share
<i>From continuing operations</i>		
Total basic profit per share	0.94	0.57
Total diluted profit per share	0.93	0.57
<i>From continuing and discontinued operations</i>		
Total basic profit per share	0.84	0.52
Total diluted profit per share	0.83	0.52

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings are as follows:

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<i>From continuing operations</i>		
Profit for the half year attributable to owners of the Company	3,383	2,037
<i>From continuing and discontinued operations</i>		
Profit for the half year attributable to owners of the Company	3,031	1,865
	Shares	Shares
Weighted average number of ordinary shares for the purposes of the basic earnings per share	359,906,450	359,906,450

Notes to the consolidated financial statements (continued)

Diluted earnings per share

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<i>From continuing operations</i>		
Profit for the half year attributable to owners of the Company	3,383	2,037
<i>From continuing and discontinued operations</i>		
Profit for the half year attributable to owners of the Company	3,031	1,865
	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic earnings per share	359,906,450	359,906,450
Performance rights	3,496,718	558,354
Weighted average number of ordinary shares for the purposes of the diluted earnings per share	<u>363,403,168</u>	<u>360,464,804</u>

10 Reserves

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Share Buy-back Reserve	(7,204)	(7,204)
Share Based Payment Reserve	28,999	28,863
	<u>21,795</u>	<u>21,659</u>

Share Based Payment Reserve

This reserve is used to recognise the value of equity settled benefits provided to employees and directors as part of their remuneration. (Refer to note 14 for details of the Employee share plan).

11 Issued capital

359,906,450 fully paid ordinary shares (30 June 2025: 359,906,450)	<u>37,867</u>	<u>37,867</u>
	<u>37,867</u>	<u>37,867</u>

	Number of shares		Share capital (\$'000)	
	31 Dec 2025	30 June 2025	31 Dec 2025	30 June 2025
Balance at beginning of the period	359,906,450	359,906,450	37,867	37,867
Movement in ordinary shares	-	-	-	-
Balance at end of the period	<u>359,906,450</u>	<u>359,906,450</u>	<u>37,867</u>	<u>37,867</u>

Notes to the consolidated financial statements (continued)

12 Leases

The Group leases commercial offices, display homes, display home furniture, and motor vehicles. The leases are typically held with an option to renew and lease payments are reviewed when approaching the lease expiry date to reflect market rentals.

The Group also leases equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The total cash outflow for leases amounts to \$10.258 million (December 2024: \$8.625 million).

Right of use assets

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Opening written down value	15,747	14,459
Additions	23,687	18,039
Disposals	(1,039)	(647)
Depreciation charge for the period	(9,006)	(15,655)
Changes in value from lease modification and cancellation	(120)	(449)
Closing written down value	29,269	15,747

Amount recognised in profit or loss:

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<i>Leases under AASB 16</i>		
Interest on lease liabilities	(934)	(592)
Depreciation expense on right-of-use assets	(9,006)	(6,519)
Expenses relating to short-term leases	(772)	(1,540)
Expense relating to low value assets	(4)	(16)
Loss on sale and lease back	(120)	(90)
Loss on lease modification	(142)	(77)
	(10,978)	(8,834)

Commitment for short-term leases and low value assets:

The Group has nil commitment to leases classified as short-term and/or low value leases (December 2024: nil).

13 Related party transactions

Loans to related parties

At 31 December 2025, there were no loan balances outstanding from related parties (30 June 2025: Nil).

14 Share based payments

Employee share plan

On 19 December 2025, 2,893,023 performance rights shares were granted to key management personnel and other members of the leadership team. The performance rights were issued as part of the Long-Term Incentive Plan (LTIP) for the 2026 financial year (FY2026LTIP).

Set out below are summaries of performance shares granted under the plan:

Award Structure	FY2026 Performance Rights	
Consideration for the Performance Rights	The Performance Rights will be granted for nil consideration.	
Grant Date	19 December 2025	
Expiry Date	15 th Anniversary of the Grant Date	
Vesting Date	30 June 2028	
Performance Measure	Vesting of Performance Rights is dependent on one discrete performance measure (hurdle): <i>FY2028 Adjusted EBITDA</i> The performance measure is to achieve determined Adjusted EBITDA target for the financial year ending 30 June 2028.	
Performance Vesting Condition	<i>FY2028 Adjusted EBITDA¹</i>	<i>Percentage of Performance Rights to vest:</i>
	\$54m	50%
	\$60m	75%
	\$73m	100%
Service Vesting Condition	The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.	
Other conditions	These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.	

Other than the above newly issued performance rights during current financial period, 7,859,900 performance rights shares were granted to key management personnel and other members of the leadership team under the Group's Long Term Incentive Plan relating to 2024 and 2025 financial years. Of these previously granted performance rights, 2,757,854 remain on issue at 31 December 2025.

¹ When accessing Adjusted EBITDA outcomes, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period.

Notes to the consolidated financial statements (continued)

Movements in performance rights during the half year:

Tranche	Opening balance	Granted during the year		Vested during the year		Forfeited during the year		Closing balance
	Number of rights	Number of rights	Weighted average fair value	Number of rights	Weighted average fair value	Number of rights	Weighted average fair value	Total number of rights
Performance rights								
FY 2024	2,119,926	-	-	-	-	(601,447)	0.16	1,518,479
FY 2025	1,730,274	-	-	-	-	(490,898)	0.16	1,239,376
FY 2026	-	2,893,023	0.14	-	-	-	-	2,893,023
Total	3,850,200	2,893,023	0.14			(1,092,345)	0.16	5,650,878

For the purposes of accounting, the rights are assumed to be equity settled. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Employee share plan		
Share based expense	(136)	(2)
	(136)	(2)

15 Subsequent events

On 16 February 2026, the Group announced that it had entered into a 50:50 joint venture with Atlas Building to undertake residential construction projects in Western Australia. This arrangement provides an opportunity to enter the Western Australian residential market, further diversifying the Group's geographic footprint.

There are no other events that have occurred subsequent to the reporting date that may significantly affect the Group's operations, results or state of affairs in future periods.