

Interim Financial Report

for the half year ended 31 December 2025

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Directors' Report

The Directors present their report together with the Consolidated Interim Financial Report for the six months ended 31 December 2025 and the Independent Review Report thereon.

Directors

The Directors of Southern Cross Electrical Engineering Limited ("SCEE Group" or "the Company") during the interim period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Non-executive Directors

Mr Karl Paganin (Chairman)

Mr Simon Buchhorn

Mr Paul Chisholm

Mr Michael McNulty

Ms Louise Daw (appointed 1 September 2025)

Executive Directors

Mr Graeme Dunn (Managing Director)

Review of operations

Financial Results

Revenue for the half-year was \$349.1m, down 12.2% on the prior corresponding period revenue of \$397.4m with activity on the Collie Battery Energy Storage System ("CBESS") project in Western Australia and the Western Sydney International Airport Terminal project winding up during the period.

The Force Fire business, acquired in April 2025, was consolidated for the full period and continues to perform strongly.

Revenue contribution by sector was as follows:

- Infrastructure – revenue for the period was \$166.7m, down 33.8% from \$251.7m in the prior corresponding period due to lower activity on the CBESS and Western Sydney International Airport projects as they wound up. Significant ongoing revenue contributors are the Shoalhaven and Shellharbour Hospital projects and various Data Centres including NEXTDC SYD03 Artarmon.
- Commercial – revenue for the period was \$115.2m, up 44.2% from \$79.9m in the prior corresponding period. Most of the increase came from Force Fire's industrial warehousing and commercial buildings projects. Other key contributors in the current period were ongoing works for Coles and Woolworths by SJ Electric and Heyday's various projects across NSW and ACT, including the Atlassian building development.
- Resources – revenue for the period was \$67.3m, compared to \$65.8m in the prior corresponding period. SCEE Electrical has various ongoing works for BHP, Rio Tinto and Sino Iron and SEME Solutions continues to provide mine-site and accommodation villages security upgrades.

Gross profit for the period of \$65.9m was a record half-year result and was up 30.3% on the prior corresponding period gross profit of \$50.6m. The gross margin percentage for the period was 18.9% compared to the prior

corresponding period at 12.7%. The increase in margin was driven by a successful outcome on the CBESS project, a more favourable mix of commercial building projects in the Heyday business, and the contribution from Force Fire.

Overheads of \$31.0m were up 29.4% on the corresponding prior period, primarily because of the inclusion of Force Fire in the current period.

Underlying EBITDA¹ for the period of \$35.4m was up 30.8% and Underlying EBIT¹ of \$29.1m was up 25.5% respectively on the prior corresponding period's record half-year EBITDA¹ and EBIT¹ results.

During the period, Heyday received the outcome regarding its arbitration proceedings against the CPB Dragados Samsung Joint Venture ("CDSJV") claiming for additional costs incurred in performing its works on the WestConnex M5 motorway tunnel project in Sydney that completed in 2020. The arbitrator disagreed with Heyday's claims and found in favour of CDSJV in his Partial Final Award issued on 28 November 2025. Heyday and CDSJV subsequently settled the matter, including for all claims, interest, and costs, with a cash payment to CDSJV of \$25.3m. The contract asset of \$19.5m held in respect of this project was written off as a result. Legal fees incurred by Heyday during the period in respect of this matter totalled \$1.4m. The combined \$46.1m of these WestConnex dispute costs has been excluded from the Underlying EBITDA¹ and Underlying EBIT¹ results for the current period.

As a result of the above there was an NPAT loss for the period of \$12.8m compared to an NPAT profit of \$16.2m in the prior corresponding period.

Underlying EBIT¹ and NPAT both included \$2.2m amortisation of acquired intangibles compared to \$1.1m the prior corresponding period with the increase attributable to the acquisition of Force Fire in H2 FY25.

The Board has declared a fully franked interim dividend of 2.5 cents per share, consistent with the prior year interim dividend. The interim dividend will be paid on 22 April 2026.

The cash balance at 31 December 2025 was \$58.8m, down from the 30 June 2025 balance of \$88.6m. Notable outflows in the period included the settlement of the WestConnex arbitration proceedings, a record half-year dividend pay-out of \$13.3m, the unwinding of \$12.0m of advance payments on the CBESS project, and deferred consideration payments of \$4.7m in respect of the Force Fire and MDE acquisitions.

The group remains debt free.

Health and Safety

Delivering our work safely is our highest priority and we are extremely proud of our strong safety culture. We were Lost Time Injury ("LTI") free across the group's operations for the eighth consecutive half year. This represented over 1.6 million manhours LTI-free in the period.

Outlook and Guidance

The Board has increased Underlying FY26 EBITDA guidance to at least \$72m, up 31% on FY25 EBITDA, and expects further growth in future years.

The order book at 31 December 2025 was \$710m, up 6% on the prior corresponding period. Infrastructure continues to comprise the largest component of the order book at 65%. Over 85% of the order book is now on the East Coast.

Over \$200m of the order book is in the adjacent non-electrical disciplines of fire, manufacturing, security, and communications and our ability to provide a multi-disciplinary offering is gaining traction with clients as evidenced by recent awards. On the Ausgrid Steel River East Battery Energy Storage System project in NSW SCEE Electrical are the lead electrical contractor and will be supported by Trivantage Manufacturing for switchboards, MDE for communications, SEME Security for security, and Force Fire for fire systems. At the DigiCo SYD1 Data

Centre Heyday will be the lead electrical contractor supported by Trivantage Manufacturing, MDE and Force Fire.

Our growth expectations are underpinned by our strong exposure to the structural tailwinds of the growth in Data Centre construction, infrastructure investment, renewable energy projects, and the electrification of the economy.

SCEE businesses have worked on data centres for over twenty years, and the sector is now in an exponential growth phase. Huge capital has been raised in recent periods and is now being deployed for the actual construction phase across Australia.

Our businesses have multi-layered relationships in the sector with both the data centre developers and the tier one builders with all SCEE businesses already working on or positioning themselves for data centre projects.

The group's Data Centre revenues have grown strongly in recent years to over \$120m in FY25 with a similar volume forecast for FY26. We are anticipating significant growth from this sector in FY27 and beyond. Across the group we are currently tendering on new data centre projects with over \$1bn of work for SCEE over their construction periods.

The Western Sydney International Airport Stand Alone Facilities Project is now underway. We are expecting a long-term pipeline of works with further airport expansion and development of the surrounding Aerotropolis region, particularly industrial warehousing construction for Force Fire and Heyday.

We were recently awarded the Electrical and Communications Systems package for the St Marys Station Project, a part of the new Western Sydney International Airport line, and have high confidence of further awards on Sydney Metro West station developments in future periods.

In healthcare we are delivering the new Shellharbour Hospital, Heyday's largest ever hospital award, and are positioning around further major hospital developments presenting in NSW and ACT in the medium-term.

Australia's energy transition requires investment in renewables supported by battery storage and grid configuration. SCEE participates in this thematic having delivered multiple solar farms, wind farms and Battery Energy Storage Systems. In H1 FY26 we successfully completed the Synergy CBESS project and were awarded the Steel River East BESS project on the Ausgrid network. Force Fire has virtually completed the installation of fire safety solutions on the Macintyre Wind Farm in Queensland for Nordex and are positioning for further developments there. We are tendering for multiple battery and wind farm developments across Australia and expect to announce further battery projects this year.

SCEE has multiple other exposures to Australia's energy transition which requires electrification of many activities by 2050. SCEE's capabilities align with this energy transition, which will demand the electrification and decarbonisation of existing industries, transport networks and the built environment. SCEE offers services across a huge range of electrification initiatives including decarbonising our client's operations, such as refrigeration power efficiencies for supermarkets, store metering roll-outs, electric vehicle charging systems, lighting upgrades, and solar powered electrical equipment. Building developments will be subject to stricter building codes which will drive increased electrical density and complexity.

Strategy

SCEE sees electrical contracting as its core capability whilst increasingly diversifying into adjacent disciplines and servicing the infrastructure, commercial, and resources sectors.

Our growth strategy continues to be to deepen our presence in those sectors and broaden our geographic diversity through expanding our core competencies and adding adjacent and complementary capabilities and disciplines, either organically or by acquisition.

We are increasing our exposure to services and maintenance style works.

We are actively exploring a range of acquisition targets offering further geographic diversification and new capabilities.

We aim to maximise the synergies and cross-selling opportunities created by the increasing diversification and multi-disciplinary nature of the Group

The electrification of the Australian and global economies presents SCEE with opportunities across all its operations.

Notes

1. EBITDA and EBIT are non-IFRS measures which in the opinion of the directors provide useful information to assess the performance of the group over the period. EBITDA represents earnings before interest, income tax, depreciation and amortisation. EBIT represents earnings before interest and income tax. Underlying EBITDA and Underlying EBIT in the current period exclude the impact of the WestConnex dispute costs. In the prior corresponding period WestConnex dispute costs were not material and were included in contract expenses. A reconciliation of these non-IFRS measures to profit/(loss) after income tax is presented in the following table:

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Underlying EBITDA	35,433	27,082
Depreciation and amortisation	(6,380)	(3,930)
Underlying EBIT	29,053	23,152
WestConnex dispute costs	(46,120)	-
Net finance income/(expense)	(969)	179
Income tax benefit/(expense)	5,253	(7,153)
Profit/(loss) after income tax	(12,783)	16,178

Dividend

The Directors have declared a fully franked interim dividend for the six months ended 31 December 2025 of 2.5 cent per share (31 December 2024: 2.5 cent per share).

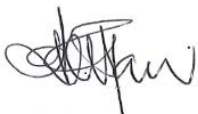
Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated interim financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 18 and forms part of the directors' report for the six months ended 31 December 2025.

Signed in accordance with a resolution of the directors:



Karl Paganin

Chairman

Perth

17 February 2026

Consolidated Statement of Comprehensive Income

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Contract revenue		349,100	397,411
Contract expenses		(283,214)	(346,851)
Gross profit		65,886	50,560
Other income		589	503
Employee benefits expenses		(17,977)	(14,090)
Occupancy expenses		(1,515)	(1,737)
Administration expenses		(9,638)	(6,418)
Westconnex dispute costs	7	(46,120)	-
Other expenses		(1,912)	(1,736)
Depreciation expense		(1,756)	(1,484)
Right-of-use asset amortisation expense		(2,410)	(1,389)
Other amortisation expenses		(2,214)	(1,057)
Profit (Loss) from operating activities		(17,067)	23,152
Finance income	8	1,162	1,406
Finance expense	8	(2,131)	(1,227)
Net finance income/(expense)	8	(969)	179
Profit/(Loss) before income tax		(18,036)	23,331
Income tax benefit/(expense)		5,253	(7,153)
Profit/(Loss) after income tax for the period		(12,783)	16,178
Other comprehensive income		-	-
Other comprehensive income net of income tax		-	-
Total comprehensive income/(loss) for the period		(12,783)	16,178
Attributable to			
Owners of the Company		(12,783)	16,178
Earnings per share			
- Basic (loss)/earnings per share (cents per share)		(4.82)	6.13
- Diluted (loss)/earnings per share (cents per share)		(4.82)	6.09

Consolidated Statement of Financial Position

	Note	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Assets			
Current Assets			
Cash and cash equivalents		58,776	88,572
Trade and other receivables	9	104,960	134,013
Inventories		1,547	1,621
Prepayments		6,837	3,999
Tax receivable		8,009	-
Total current assets		180,129	228,205
Non-current assets			
Property, plant and equipment		13,811	13,208
Right-of-use assets		8,809	7,701
Intangible assets		159,754	161,929
Deferred tax asset		15,068	10,001
Total non-current assets		197,442	192,839
Total assets		377,571	421,044
Liabilities			
Current liabilities			
Trade and other payables	10	149,043	161,165
Provisions		26,204	26,773
Contingent acquisition consideration	16	7,496	4,636
Lease liability		4,028	3,460
Tax payable		-	2,589
Total current liabilities		186,771	198,623
Non-current liabilities			
Lease liability		5,306	4,755
Provisions		1,997	2,419
Contingent acquisition consideration	16	3,537	10,638
Total non-current liabilities		10,840	17,812
Total liabilities		197,611	216,435
Net assets		179,960	204,609
Equity			
Share capital		120,513	118,961
Reserves		233	371
Retained earnings		59,214	85,277
Total equity		179,960	204,609

Consolidated Statement of Changes in Equity

	Note	Share Capital \$'000	Retained Earnings \$'000	Share Based Payments Reserve \$'000	Translation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2025		118,961	85,277	885	(514)	204,609
Total comprehensive income for the period						
Profit/(Loss) for the period		-	(12,783)	-	-	(12,783)
Total comprehensive income		-	(12,783)	-	-	(12,783)
Equity transactions with owners:						
Dividends	14	-	(13,280)	-	-	(13,280)
Dividend re-investment and share placements, net	14	741	-	-	-	741
Performance rights exercised in shares (net of tax)		811	-	(423)	-	388
Equity-settled share-based payments	12	-	-	285	-	285
Total transactions with owners		1,552	(13,280)	(138)	-	(11,866)
Balance as at 31 December 2025		120,513	59,214	747	(514)	179,960

	Note	Share Capital \$'000	Retained Earnings \$'000	Share Based Payments Reserve \$'000	Translation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2024		117,554	73,414	707	(514)	191,161
Total comprehensive income for the period						
Profit for the period		-	16,178	-	-	16,178
Total comprehensive income		-	16,178	-	-	16,178
Equity transactions with owners:						
Dividends	14	-	(13,200)	-	-	(13,200)
Dividend re-investment and share placements, net	14	478	-	-	-	478
Performance rights exercised in shares (net of tax)		689	-	(279)	-	410
Equity-settled share-based payments	12	-	-	205	-	205
Total transactions with owners		1,167	(13,200)	(74)	-	(12,107)
Balance as at 31 December 2024		118,721	76,392	633	(514)	195,232

Consolidated Statement of Cash Flows

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Cash flows from operating activities			
Cash receipts from customers		429,883	469,189
Cash paid to suppliers and employees		(400,454)	(404,669)
Westconnex dispute costs	7	(26,452)	-
Interest received		1,162	1,407
Interest paid		(825)	(935)
Income taxes paid		(10,412)	(15,959)
Net cash (used in)/from operating activities	11	(7,098)	49,033
Cash flows from investing activities			
Payment of contingent acquisition consideration	16	(4,690)	(1,000)
Acquisition of property, plant and equipment		(2,100)	(2,985)
Proceeds from the sale of assets		206	54
Net cash used in investing activities		(6,584)	(3,931)
Cash flows from financing activities			
Dividends paid	14	(13,280)	(12,722)
Principal portion of lease liability payments		(2,410)	(1,389)
Performance rights exercised for cash in lieu of shares		(424)	(279)
Net cash used in financing activities		(16,114)	(14,390)
Net (decrease)/increase in cash and cash equivalents		(29,796)	30,712
Cash and cash equivalents at 1 July		88,572	84,083
Cash and cash equivalents at 31 December		58,776	114,795

Notes to the Consolidated Interim Financial Statements

1. Reporting entity

Southern Cross Electrical Engineering Limited (the “Company”) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2025 comprises the Company and its subsidiaries (together referred to as the “Group”).

The consolidated annual financial report of the Group as at and for the year ended 30 June 2025 is available upon request from the Company’s registered office at 225 St Georges Terrace, Perth, Western Australia or at www.scee.com.au.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2025.

The consolidated interim financial report was approved by the Board of Directors on 17 February 2026.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors’ Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated interim financial report and directors’ report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2025.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2025. The Group did not early adopt any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group did not adopt any new and/or revised standards, amendments or interpretations from 1 July 2025 which had a material effect on the financial position or performance of the Group.

5. Financial risk management

During the six months ended 31 December 2025 the Group’s financial risk management objectives and policies were consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2025.

6. Segment reporting

The Group reports two operating segments: Electrical, security and communication services and Fire services. Information about each reportable segment is presented below.

	Reportable segments					
	Electrical, security and communication services		Fire services		Reportable segments Total	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000	31 Dec 2025 \$'000	31 Dec 2024 \$'000	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Segment (loss)/profit before tax	(14,980)	28,057	4,476	-	(10,504)	28,057
External revenues	287,132	397,411	61,968	-	349,100	397,411

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Reconciliation of reportable segment (loss)/profit before tax		
Total (loss)/profit before tax for reportable segments	(10,504)	28,057
Unallocated amounts		
-Corporate expenses	(4,710)	(4,438)
-Amortisation	(2,213)	(1,056)
-Net finance (expense)/income	(609)	768
Consolidated (loss)/profit before income tax	(18,036)	23,331

	Reportable segments					
	Electrical, security and communication services		Fire services		Reportable segments Total	
	31 Dec 2025 \$'000	30 June 2025 (restated) \$'000	31 Dec 2025 \$'000	30 June 2025 (restated) \$'000	31 Dec 2025 \$'000	30 June 2025 (restated) \$'000
Segment assets	314,683	331,665	41,142	32,964	355,825	364,629
Segment liabilities	160,636	172,181	22,278	24,679	182,914	196,860

	31 Dec 2025 \$'000	30 June 2025 \$'000
Reconciliation of reportable segment assets and liabilities		
Total assets of reportable segments	355,825	364,629
Eliminate intercompany loans	(139,946)	(106,919)
Unallocated group assets	161,692	163,334
Consolidated total assets	377,571	421,044
Total liabilities of reportable segments	182,914	196,860
Unallocated group liabilities	14,697	19,575
Consolidated total liabilities	197,611	216,435

As a result of the acquisition of Force Fire on 1 April 2025, and the results being included for the full reporting period, the Group has changed its reportable segments. Accordingly, the Group has restated the previously reported segment information as at 30 June 2025.

The Group identified its operating segments based on internal reports that are reviewed and used by the Managing Director in assessing performance and in determining the allocation of resources. The Managing Director has been identified as the Group's Chief Operating Decision Maker. Financial information about each of these operating segments is reported to the Managing Director on a recurring basis.

Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments. Segment assets and liabilities are also regularly reported to the CODM and therefore disclosed.

The Group provides its services through the four key segments of SCEE Electrical, Heyday, Trivantage and Force Fire.

The following summary describes the operations of each reportable segment.

Reportable segment	Operations
SCEE Electrical	Provision of electrical, instrumentation, communications and maintenance services. This segment comprises SCEE Electrical and Datatel.
Heyday	Provision of electrical, instrumentation and communications services. This segment comprises Heyday and MDE.
Trivantage	Provision of electrical, instrumentation, communications, security and maintenance services. This segment comprises SJ Electrical, Trivantage Manufacturing and Seme Solutions.
Force Fire	Design, installation, inspection, testing and maintenance of fire protection systems.

The directors believe that the aggregation of the SCEE Electrical, Heyday and Trivantage operating segments into its Electrical, security and communication services segment is appropriate as they:

- have similar economic characteristics;
- perform similar services using similar business processes;
- provide their services to a similar client base;
- have a centralised pool of shared assets and services; and
- operate in similar regulatory environments.

These three operating segments have therefore been aggregated to form one reportable segment, Electrical, security and communication services. Force Fire is reported separately as the Fire services segment.

7. Westconnex dispute costs

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Settlement payment	25,250	-
Contract asset write off	19,490	-
Legal costs	1,380	-
	46,120	-

During the period, Southern Cross Electrical Engineering Limited's subsidiary, Heyday, received the outcome regarding its arbitration proceedings against the CPB Dragados Samsung Joint Venture ("CDSJV") claiming for additional costs incurred in performing its works on the WestConnex M5 motorway tunnel project in Sydney that completed in 2020. The arbitrator disagreed with Heyday's claims and found in favour of CDSJV in his Partial Final Award issued on 28 November 2025. Heyday and CDSJV subsequently settled the matter, including for all claims, interest, and costs, with a cash payment to CDSJV of \$25.3m. The contract asset of \$19.5m held in respect of this project was written off as a result. Legal fees incurred by Heyday during the period in respect of this matter totalled \$1.4m.

8. Finance income and expenses

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Interest income on bank deposits	1,162	1,406
Finance income	1,162	1,406
Bank charges	(357)	(357)
Bank guarantee and surety bond fees	(114)	(331)
Interest expense on deferred consideration	(448)	(111)
Interest expense on borrowings	(83)	(41)
Remeasurement of cash-settled share-based payment	(858)	(181)
Lease liability interest	(271)	(206)
Finance expenses	(2,131)	(1,227)
Net finance income/(expense)	(969)	179

9. Trade and other receivables

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Trade receivables	55,935	69,447
Sundry debtors	1,028	1,544
Provision for impairment of trade receivables	(871)	(798)
Contract assets (i)	47,186	62,071
Retentions	1,682	1,749
	104,960	134,013

(i) Contract assets represents the unbilled amount expected to be collected from customers for contract work performed to date. Cost includes all expenditure related directly to specific projects. Recognised profit is based on the percentage of completion method and is determined using the costs incurred to date and the total forecast contract costs.

The timing of cash inflows for contract assets is dependent on the status of processes underway to gain acceptance from customers as to the enforceability of recognised modifications resulting from contractual claims and variations. The Group pursues various options with customers to accelerate the inflow of cash including, but not limited to, negotiations, security of payment adjudications and arbitration involving the support of legal counsel and external consultants. Accordingly, there remains a risk that settlement of contract assets takes longer than 12 months. In accordance with its accounting policies, the Group has previously recognised revenue in relation to such contracts, applying constraint, and the Group has reviewed the balance at 31 December 2025. The amount is included within contract assets.

10. Trade and other payables

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Trade payables	36,485	48,604
Contract liabilities (i)	86,672	70,253
Accrued expenses	21,737	37,257
Goods and services tax payable	3,636	4,574
Retentions payable	513	477
	149,043	161,165

(i) Contract liabilities represents unearned revenue which arises when the Group has invoiced the client in advance of performing the contracted services. Contract liabilities fluctuate based on progress of completion of contracts.

11. Reconciliation of cash flows from operating activities

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
(Loss)/profit after income tax for the period	(12,783)	16,178
Adjustments for:		
Depreciation and amortisation	6,380	3,930
Profit on sale of assets	(214)	(87)
Remeasurement of cash-settled share-based payment	858	181
Equity-settled share-based payment transactions	585	205
Cash-settled share-based payment	-	259
Changes in assets and liabilities:		
Change in trade and other receivables	29,042	17,090
Change in inventories	74	535
Change in prepayments	(2,838)	(638)
Change in trade and other payables	(12,482)	17,658
Change in provisions and employee benefits	(504)	2,447
Change in deferred consideration	448	111
Change in income tax payable	(10,597)	(6,747)
Change in deferred income tax	(5,067)	(2,059)
Net cash (used in)/from operating activities	(7,098)	49,063

12. Share based payments

During the six-month period ended 31 December 2025, the Company issued a total of 907,327 performance rights in respect of the 2026 financial year. The Performance Rights issued, under the Company's Senior Management Long Term Incentive Plan, vest over the period to 30 June 2028. The performance rights were issued on 15 October 2025 and have a fair value at grant date of \$1.38 and \$2.02 for the TSR and EPS components, respectively. The fair value of the TSR Performance rights has been measured using the Monte-Carlo simulation while the EPS Performance rights has been measured using the Binomial Tree methodology.

The movement in share-based payments reserve during the period reflects the amounts expensed in respect of equity-settled Performance Rights of \$285,000 and exercised rights of \$423,000.

13. Related parties – Key management personnel

The share-based payments disclosed in note 12 included the Performance Right issues to key management personnel during the six months ended 31 December 2025. Graeme Dunn was issued 372,159 Performance Rights and Chris Douglass was issued 222,348 Performance Rights.

The Performance Rights issued to Graeme Dunn were approved by shareholders at the Company's Annual General Meeting on 14 October 2025.

Other arrangements with related parties continue to be in place on the same basis as at 30 June 2025. For full disclosure on these transactions, refer to the 30 June 2025 annual financial report.

14. Dividends

The following dividends were declared and paid by the Company:

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Final 2025 ordinary fully franked at 5.00 cents per share	13,280	-
Final 2024 ordinary fully franked at 5.00 cents per share	-	13,200

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Franking account balance	67,075	61,535

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

- (a) franking credits that will arise from the payment of the current tax liabilities; and
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the year end.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

15. Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Credit facilities utilised		
Bank Guarantees and surety bonds	96,835	115,186

16. Contingent acquisition consideration

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Current portion	7,496	4,636
Non-current portion	3,537	10,638
	11,033	15,274

Contingent acquisition consideration movements

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Balance at 1 July	15,274	3,736
Finance costs	449	339
Remeasurement	-	(717)
Acquisition of Force Fire Holdings Pty Ltd	-	12,916
Payments	(4,690)	(1,000)
	11,033	15,274

17. Events after the balance sheet date

There have been no events after the balance sheet date that have a material impact on the financial report.

Directors' Declaration

In the opinion of the directors of Southern Cross Electrical Engineering Limited ("the Company"):

1. the financial statements and notes set out on pages 7 to 18, are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the six month period ended on that date; and
 - b. complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Karl Paganin

Chairman

Perth

17 February 2026



Independent Auditor's Review Report

To the shareholders of Southern Cross Electrical Engineering Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Southern Cross Electrical Engineering Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Southern Cross Electrical Engineering Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2025 and of 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*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2025.
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1 to 17 comprising material accounting policies and other explanatory information.
- The Directors' Declaration.

The **Group** comprises Southern Cross Electrical Engineering Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year Period.

Basis for Conclusion

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

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply 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 an Interim Period 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.

KPMG

Derek Meates

Partner

Perth

17 February 2026



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Southern Cross Electrical Engineering Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Southern Cross Electrical Engineering Limited for the half-year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature of the KPMG firm, rendered in blue ink.

KPMG

A handwritten signature of Derek Meates, rendered in blue ink.

Derek Meates

Partner

Perth

17 February 2026