

WATERCO LIMITED

A.B.N. 62 002 070 733

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR

ENDED 31 DECEMBER, 2025

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WATERCO LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors of Waterco Limited have pleasure in submitting herewith the Interim Financial Report of the consolidated group for the half-year ended 31st December, 2025.

The directors of the company who held office during or since the end of the half-year are:

Soon Sinn Goh

Bryan Goh

Ben Hunt

Judy Raper

Wayne Beaman

GROUP PERFORMANCE

Waterco's financial results for the half year ending 31 December 2025 (HY26) and a reconciliation of these measures to the Group financial results are presented below:

Financial Period Ended	HY26 \$'000	HY25 \$'000	Change %
Sales revenue	130,279	132,391	(1.6%)
Other revenue & income	2,939	2,354	24.9%
Total Revenue	133,218	134,745	(1.1%)
Operating expenses	(115,889)	(119,116)	(2.7%)
EBITDA	17,328	15,629	10.9%
Depreciation and amortisation expense	(6,027)	(5,875)	2.6%
EBIT	11,301	9,754	15.9%
Finance costs	(2,139)	(2,059)	3.9%
Finance income	35	38	(8.3%)
NPBT	9,197	7,733	18.9%
Income tax benefit/(expense)	(2,474)	(1,805)	37.1%
NPAT	6,723	5,928	13.4%
EPS from operations (cents)	19.2	16.7	15.0%

REVENUE AND PROFITABILITY

Total revenue for the Group for the half year was \$133.2 million, a decline of 1.1% compared with HY25. The softer revenue outcome reflects challenging trading conditions across key markets, including heightened competition in Europe and reduced capital expenditure in parts of Asia. In addition, the transition of plastics manufacturing into Malaysia temporarily constrained stock availability in ANZ, which contributed to short-term sales impacts.

Statutory EBIT increased 15.9% to \$11.3m (HY25: \$9.8m). The profit uplift was driven by improved margins across the Group, supported by benefits from the ongoing insourcing of manufacturing into Malaysia, thereby lowering production costs, and efficiencies achieved through the integration of Davey operations. These initiatives continued to strengthen operational control and reduce reliance on external suppliers.

The Group delivered a Net Profit After Tax of \$6.7m, an increase of 13.4% from HY25 (\$5.9m). The strong earnings result underscores the resilience of the Group's operating model despite a competitive and uncertain global environment.

DIVISIONAL EBIT PERFORMANCE

The breakdown of Statutory EBIT contribution by division is as follows:

Divisional EBIT	HY26 \$'000	HY25 \$'000	Change %
Australia and New Zealand	7,622	9,074	(16.0%)
North America and Europe	1,660	520	219.2%
Asia	2,019	160	1161.9%
Consolidated Reported EBIT	11,301	9,754	15.9%

AUSTRALIA AND NEW ZEALAND (ANZ)

ANZ sales decreased by 3.9% to \$105.0m versus HY25 sales of \$109.2m, reflecting the realignment of part of the European supply chain from Australia back into Europe and a temporary impact from insourcing Davey plastics into Malaysia that modestly constrained stock availability.

As a result, divisional EBIT was \$7.6m, down \$1.5m from HY25, but with the business positioned for improvement as the Malaysia supply chain migration broadens and future growth opportunities in ANZ are realised.

ASIA

External sales declined 8.6% to \$7.0m due to softer capital flows into the region. However, EBIT increased strongly to \$2.0m from \$0.2m in HY25, driven by the execution of strategic insourcing of plastic components for Davey products into the Group's Malaysian manufacturing operations, which lifted Group margins.

Approvals to develop the recently acquired land in Malaysia are progressing to expand production capacity over the medium term.

NORTH AMERICA AND EUROPE

Combined sales increased 18.3% to \$18.3m (HY25: \$15.4m), with EBIT up 219% to \$1.7m, supported by improved demand for Waterco-branded products in Europe.

Europe remains competitive and macro conditions were challenging; however new distribution channels were opened which should help offset headwinds going forward.

In North America, sales were slightly lower than the prior period.

INTEGRATION UPDATE

The successful insourcing of Davey plastics manufacturing into Malaysia and logistics efficiencies contributed to the uplift in Group EBIT in HY26. A unified global IT platform rollout is scheduled to commence in the second half with completion targeted in FY27, supporting long-term efficiency and transparency. The Group is investing to expand Malaysian manufacturing capacity to meet expected demand growth in the US and Europe and to further strengthen supply chain resilience.

WORKING CAPITAL

Group Working Capital	HY26 \$'000	HY25 \$'000
Inventory	102,850	102,161
Debtors	40,636	45,133
Creditors	(36,042)	(34,287)
Total	107,444	113,007

Working capital decreased by \$5.56 million to \$107.4m (HY25: \$113.0m) due to higher debtor collection. Creditors are higher due to insourcing of manufacturing of plastic components.

DIVIDEND AND OUTLOOK

The Board has declared a fully franked interim dividend of 7 cents per share, payable on 15 May 2026.

Waterco Limited is in the process of refinancing its debt with Westpac Banking Corporation and have received formal credit approval on 17 February 2026. These borrowings were classified as current liabilities at 31 December 2025 due to their contractual review dates. The refinanced facilities will provide a longer-term funding structure and are expected to be reclassified as non-current liabilities in the Group's annual financial statements for the year ending 30 June 2026.

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 18. This report is signed in accordance with a resolution of the Board of Directors.



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Soon Sinn Goh
Chairman
Waterco Limited
23 February 2026

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

Consolidated Group			
	Note No.	31/12/2025 \$000	31/12/2024 \$000
Continuing Operations			
Revenues	3	133,218	134,745
Changes in inventories of finished goods and work in progress		(4,564)	(6,932)
Raw materials and consumables used		(61,724)	(62,217)
Employee benefits expense		(28,224)	(28,898)
Depreciation and amortisation expense		(6,027)	(5,875)
Finance costs		(2,139)	(2,059)
Advertising expense		(2,566)	(3,101)
Outward freight expense		(3,437)	(3,750)
Rent expense		(1,038)	(863)
Research and development		(1,269)	(1,633)
Insurance – general		(1,097)	(1,101)
Warranty expense		(1,031)	(1,263)
Commission expense		(220)	(269)
Foreign Exchange (losses) / gains		(845)	(992)
Other expenses		(9,840)	(8,059)
Profit before income tax expense		9,197	7,733
Income tax benefit/(expense)	7	(2,474)	(1,805)
Profit for the year		6,723	5,928
Other comprehensive income			
Items that will not be classified subsequently to profit or loss			
Property revaluation increment (net of tax)		95	1,143
Items that may be reclassified to profit or loss			
Exchange translation differences		(904)	5,062
Share options expense		33	
Other comprehensive income for the year		(776)	6,205
Total comprehensive income for the year		5,947	12,133
Profit attributable to:			
Members of the parent entity		6,746	5,872
Non-controlling interest		(23)	56
		6,723	5,928
Total comprehensive income for the year			
Members of the parent entity		5,970	12,077
Non-controlling interest		(23)	56
Total comprehensive income for the year		5,947	12,133
Earnings per share			
Basic earnings per share (cents per share)		19.2	16.7
Diluted earnings per share (cents per share)		19.2	16.7

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES

		Consolidated Group	
	Note	31/12/2025	30/06/2025
	No.	\$000	\$000
ASSETS			
Current Assets			
Cash and cash equivalents		21,532	24,522
Trade and other receivables		40,636	33,466
Inventories		102,850	92,661
Other current assets		4,175	6,607
Total Current Assets		169,193	157,256
Non-Current Assets			
Property, plant & equipment		78,013	71,583
Right of use assets		28,812	31,475
Intangible assets		1,120	1,173
Deferred tax assets		3,025	2,756
Total Non-Current Assets		110,970	106,987
Total Assets		280,163	264,243
LIABILITIES			
Current Liabilities			
Trade and other payables		36,042	25,965
Borrowings		46,191	7,200
Lease liabilities		8,269	8,474
Current tax liabilities		1,492	1,549
Provisions		8,579	7,944
Total Current Liabilities		100,574	51,132
Non-Current Liabilities			
Borrowings		7,922	42,025
Lease liabilities		22,336	24,653
Deferred tax liabilities		3,241	3,311
Provisions		329	479
Total Non-Current Liabilities		33,827	70,468
Total Liabilities		134,400	121,600
Net Assets		145,763	142,643
Equity			
Issued capital	4	33,548	33,562
Reserves		31,635	32,412
Retained earnings		80,229	76,295
Parent interest		145,413	142,269
Non-controlling interest		351	374
Total Equity		145,763	142,643

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

		Ordinary Shares	Retained Earnings	Capital Profits Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Share Options Reserve	Non- Controlling Interests	Total
Consolidated Group	Note No.	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 30 June 2024		33,562	71,999	211	30,625	(6,921)	56	314	129,846
Comprehensive income									
Profit/(loss) for the year		-	5,872	-	-	-	-	56	5,928
Other comprehensive Income/(loss) for the year		-	-	-	1,143	5,062	47	-	6,252
Total comprehensive income for the year		-	5,872	-	1,143	5,062	47	56	12,180
Transactions with owners, in their capacity as owners and other transfers									
Cancellation of shares under Waterco Share Buyback									
Dividends paid		-	(2,813)	-	-	-	-	-	(2,813)
Total transactions with owners and other transfers		-	(2,813)	-	-	-	-	-	(2,813)
Balance at 31 Dec 2024		33,562	75,058	211	31,768	(1,859)	103	370	139,213
Balance at 30 June 2025		33,562	76,295	211	32,207	(135)	129	374	142,643
Comprehensive income									
Profit/(loss) for the year		-	6,746	-	-	-	-	(23)	6,723
Other comprehensive Income/(loss) for the year		-	-	-	95	(904)	33		(776)
Total comprehensive income for the year		-	6,746	-	95	(904)	33	(23)	5,947
Transactions with owners, in their capacity as owners and other transfers									
Cancellation of shares under Waterco Share Buyback		(14)	-	-	-	-	-	-	(14)
Dividends paid		-	(2,813)	-	-	-	-	-	(2,813)
Total transactions with owners and other transfers		(14)	(2,813)	-	-	-	-	-	(2,827)
Balance at 31 Dec 2025		33,548	80,228	211	32,302	(1,039)	162	351	145,763

The accompanying notes form part of this financial report.

**CONSOLIDATED CASHFLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

	Current period \$A'000	Previous corresponding period \$A'000
Cash flows related to operating activities		
Receipts from customers	134,301	135,755
Payments to suppliers and employees	(124,032)	(131,838)
Other income	591	390
Interest received	36	39
Finance costs	(1,479)	(2,059)
Income tax paid	(2,871)	(950)
Net operating cash flows	6,546	1,337
Cash flows related to investing activities		
Payment for property, plant & equipment	(8,722)	(2,497)
Proceeds from sale of property, plant & equipment	39	158
Proceeds from sale of business	(70)	1
Net investing cash flows	(8,753)	(2,338)
Cash flows related to financing activities		
Payment of lease liabilities	(112)	-
Share buyback	(14)	-
Proceeds from bank borrowings	5,192	5,447
Repayment of bank borrowings	(400)	(3,519)
Payment of right of use liabilities	(2,658)	(2,259)
Dividends paid	(2,812)	(2,813)
Net financing cash flows	(804)	(3,144)
Net increase (decrease) in cash held	(3,011)	(4,145)
Cash at beginning of period	24,522	16,802
Exchange rate adjustments	21	3,395
Cash at end of period	21,532	16,052

The accompanying notes form part of this financial report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

Note 1: Summary of Significant Accounting Policies

a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB134 ensures compliance with International Financial Reporting Standard IAS134 "Interim Financial Reporting".

The condensed interim financial report is intended to provide users with an update on the latest annual financial statements of Waterco Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2025 together with any public announcements made during the following half-year.

b) Accounting Policies

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the 30 June 2025 financial statements except for the policies stated below.

c) New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

The company had adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the half year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2: Dividends

	Consolidated Group	
	31/12/2025	31/12/2024
	\$000	\$000
Dividends paid		
Final fully franked dividend declared on 29 th August 2025 of 8c (2024: 8c) per share franked at the tax rate of 30% (2024 30%)	2,813	2,813
	<u>2,813</u>	<u>2,813</u>

Note 3: Revenue

Timing of revenue recognition

- Goods transferred at a point in time	130,279	132,391
- Services transferred over time	2,939	2,354
	<u>133,218</u>	<u>134,755</u>

Note 4: Issued capital

	Consolidated Group	
	31/12/2025	30/06/2025
	\$000	\$000
Ordinary shares are classified as equity.		
35,165,942 ordinary shares fully paid at beginning of the year (2024: 35,184,767)	33,562	33,562
On 31 July 2025, 2,004 shares were purchased at \$6.90 and cancelled under Waterco Ltd Share-buyback Scheme	(14)	
35,163,938 ordinary shares fully paid at the end of the year (2024: 35,165,942)	<u>33,548</u>	<u>33,562</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

Note 5: Operating Segments

Segment Information

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group is managed primarily on the basis of location since the group's operations have similar risk profiles and performance criteria. Operating segments are therefore determined on the same basis.

The group operates predominantly in one industry being the manufacture and wholesale of water treatment and irrigation product, swimming pool chemicals, accessories and equipment, manufacture and sale of solar pool heating systems and as a franchisor of swimming pool outlets retailing swimming pool accessories and equipment.

Basis of accounting for the purposes of reporting by operating segments

Accounting Policies Adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. The price is reviewed annually (unless special circumstances arise) and is based on what would be realised in the event the sale was made to an external party at arm's length under the same terms and conditions. All such transactions are eliminated on consolidation for the Group's financial statements.

Segment Information

Inter-segment transactions

Corporate charges are allocated to reporting segments based on the services provided to those reporting segments.

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

Note 5: Operating Segments (continued)

Geographical Segments

2025	Australia & NZ \$000	Asia \$000	North America & Europe \$000	Elimination \$000	Consolidated Group \$000
Revenue					
Sales to customers outside the economic entity	104,956	7,048	18,275	-	130,279
Intersegment sales	10,085	24,560	224	(34,870)	-
Other revenue & income	-	-	-	-	2,939
Total revenue	115,041	31,608	18,499	(34,870)	133,218
Segment result	7,077	2,963	2,097	-	12,137
Other expenses				(2,939)	(2,939)
Profit before income tax					9,197
Income tax benefit/(expense)					(2,474)
Profit after income tax					6,723
Segment assets	282,287	72,042	32,224	(106,390)	280,164
Segment liabilities	114,688	26,068	5,613	(11,968)	134,400

2024	Australia & NZ \$000	Asia \$000	North America & Europe \$000	Elimination \$000	Consolidated Group \$000
Revenue					
Sales to customers outside the economic entity	109,240	7,709	15,442	-	132,391
Intersegment sales	5,329	22,326	403	(28,058)	-
Unallocated revenue	-	-	-	-	-
Total revenue	114,569	30,035	15,845	(28,058)	132,391
Segment result	9,439	78	570	-	10,087
Unallocated expenses net of unallocated revenue				(2,354)	(2,354)
Profit before income tax					7,733
Income tax benefit/(expense)					(1,805)
Profit after income tax					5,928
Segment assets	290,096	92,231	20,627	(128,445)	274,509
Segment liabilities	150,970	48,274	11,663	(75,611)	135,296

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

Note 6: Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- derivative financial instruments;
- freehold land and buildings;

The Group subsequently measures some items of freehold land and buildings at fair value on a non- recurring basis. The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The evaluation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

Note 6: Fair Value Measurements (continued)

a) Fair Value Hierarchy (continued)

Valuation techniques (continued)

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

31 December 2025					
	Note No	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Recurring fair value measurements					
Non-financial assets					
Freehold land		-	-	32,882	32,882
Freehold buildings		-	-	31,675	31,675
Total non-financial assets recognised at fair value on a recurring basis		-	-	64,557	64,557
Total non-financial assets recognised at fair value		-	-	64,557	64,557
30 June 2025					
	Note No	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Recurring fair value measurements					
Non-financial assets					
Freehold land		-	-	25,164	25,164
Freehold buildings		-	-	31,972	31,972
Total non-financial assets recognised at fair value on a recurring basis		-	-	57,136	57,136
Total non-financial assets recognised at fair value		-	-	57,136	57,136

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

Note 6: Fair Value Measurements (continued)

b. Valuation Techniques and Inputs Used to Measure Level 3 Fair Values

Description	Fair Value at 31 December 2025 \$000	Valuation Technique(s)	Inputs Used
Non-financial assets			
Freehold land ⁽ⁱ⁾	32,882	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
Freehold buildings ⁽ⁱ⁾	31,675	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; market borrowing rate
	64,557		

(i) The fair value of freehold land and buildings is determined at least every three years based on valuations from independent valuers. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and/or discounted cash flow methodologies.

(ii) There were no changes during the period in the valuation techniques used by the Group to determine Level 3 fair values.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025
WATERCO LIMITED AND CONTROLLED ENTITIES**

Note 7 Income tax expense

	Consolidated Group	
The prima facie tax on profit before income tax is reconciled to the income tax as follows:	31/12/2025 \$'000	31/12/2024 \$'000
Profit before income tax	9,197	7,733
Prima facie tax payable at 30%	2,759	2,320
Add – Tax effect of:		
Depreciation of buildings	89	77
Impairment of goodwill	-	-
Unrealised foreign exchange losses	-	911
Entertainment	49	-
Non-deductible expenses	21	42
Underprovision for tax in prior years	-	-
Other	91	16
Less – Tax effect of:		
Research and development	-	82
Effects of lower tax rates in overseas countries	410	49
Unrealised foreign exchange gains	-	810
Exempt income	15	-
Adjustment recognised for prior period	-	410
Foreign controlled entities tax losses not tax-effected	-	-
Other	110	9
Income tax expense attributable to entity	2,474	1,805
Applicable weighted average effective tax rate	27%	23%

Note 8 Events Subsequent to Reporting Date

Since 31 December 2025, the Group has repaid \$3.5 million of its trade finance loan facilities on 11 February 2026.

There are no other material subsequent events since the half year ended 31 December 2025.

**WATERCO LIMITED ABN 62 002 070 733
AND CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

The directors of Waterco Limited hereby declare that:

- 1) the financial statements and notes, as set out on pages 4 to 14 are in accordance with the Corporations Act 2001, including:
 - a) complying with Accounting Standards and any further requirements in the Corporation Regulations 2001; and
 - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half- year ended on that date.
- 2) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Soon Sinn Goh
Chief Executive Officer

Dated at SYDNEY this 23rd day of February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Waterco Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Waterco Limited which comprises the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 Waterco Limited is not in accordance with the *Corporations Act 2001* including:

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

Basis for Conclusion

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

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



Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A stylized, handwritten-style signature of the letters 'RSM' in a dark blue color.

RSM AUSTRALIA PARTNERS

A handwritten signature in dark blue ink that reads 'PKanellis'.

Peter Kanellis
Partner

Sydney, NSW

Dated: 23 February 2026



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Waterco Limited for the half year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A stylized, handwritten-style signature of the letters "RSM" in black ink.**RSM AUSTRALIA PARTNERS**A handwritten signature in black ink that reads "PKanellis".

Peter Kanellis
Partner

Sydney, NSW
Dated: 23 February 2026

