



SYNERTEC

Synertec Corporation Limited ARBN 161 803 032
Half-year report for the period ended 31 December 2025
Lodged with the ASX under listing Rule 4.2A

Results for announcement to the market
Synertec Corporation Limited (ASX:SOP)

Appendix 4D Reference	31 Dec 2025 \$'000	31 Dec 2024 \$'000	Variance \$'000	Variance %
2.1 Revenue from ordinary activities	10,183	8,518	Up 1,665	Up 20%
2.2 Loss from ordinary activities after tax attributable to the owners of Synertec Corporation Limited	(2,530)	(4,246)	Improved 1,715	Improved 40%
2.3 Loss for the year attributable to the owners of Synertec Corporation Limited	(2,530)	(4,246)	Improved 1,715	Improved 40%
2.4 Dividends/distributions	No dividends were paid during the period, and no dividends have been proposed for payment.			
2.5 Record date	Not applicable			
2.6 Explanation of the figures in 2.1 to 2.4	Refer to Directors' Report within the Interim Financial Report for the Half Year Ended 31 December 2025 - 'Review of operations' section.			
3 Net tangible assets per share (cents)	0.5	1.5	(1.0)	Down 68%
4 Details of entities over which control has been gained or loss	There was no control/further control gained over any entities during the period.			
5 Details of Individual and total Dividends	Not applicable			
6 Details of dividend reinvestment plans in operation	Not applicable			
7 Details of associates or joint venture entities	There are no associates or joint venture entities.			
8 Foreign entities	Not applicable			
9	The 31 December 2025 Interim Financial Report and accompanying notes for the Half Year Ended 31 December 2025 of Synertec Corporation Limited has been reviewed by the Company's Auditor and is not subject to a modified opinion, emphasis of matter or other matter paragraph.			
Attachments	The Interim Financial Report of Synertec Corporation Limited for the Half Year Ended 31 December 2025.			

Signed:

Mr. Michael Carroll
Managing Director
Synertec Corporation Limited
Melbourne, Australia
Date: 27 February 2026



SYNERTEC

Synertec Corporation Limited

ARBN 161 803 032

Interim Financial Report

**For the Half-Year Ended
31 December 2025**

Synertec Corporation Limited
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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2025 and any public announcements made by Synertec Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of ASX Listing Rule 3.1.

Corporate Directory

Directors	Mr. Johannes Risseeuw (Independent Non-Executive Director, Chair) Mr. Michael Carroll (Managing Director) Mr. Peter Lamell (Independent Non-Executive Director) Mr. Ian Campbell (Independent Non-Executive Director)
Company Secretary	Mr. Stefan Ross Vistra (Australia) Pty Limited Suite 902, Lvl 9, 146 Arthur St North Sydney, NSW 2060 Australia
Principal registered office in Bermuda	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Registered agent office in Australia	Ground Floor 2-6 Railway Parade Camberwell, Victoria 3124 Australia Telephone: +(61 3) 9274 3000
Share registry	Boardroom Pty Limited Level 8, 210 George Street Sydney, NSW 2000 Australia Telephone: 1300 737 760 (within Australia) +(61 2) 9290 9600 (outside Australia) Facsimile: +(61 2) 9297 0664
Auditor	Grant Thornton Audit Pty Ltd Collins Square Tower 5 727 Collins Street Melbourne, Victoria 3008 Australia
Stock exchange listing	Synertec Corporation Limited shares are listed on the Australian Securities Exchange (ASX) ASX Code: SOP (fully paid ordinary shares)
Website address	www.synertec.com.au

Synertec Corporation Limited
Directors' Report
31 December 2025

The Directors present their report together with the financial statements of the consolidated entity for the half-year ended 31 December 2025.

1. Directors

The following persons were directors of Synertec Corporation Limited during the whole of the financial half-year and up to the date of this report:

Mr. Johannes Risseeuw (Independent Non-Executive Director, Chair)
 Mr. Michael Carroll (Managing Director)
 Mr. Peter Lamell (Independent Non-Executive Director)
 Mr. Ian Campbell (Independent Non-Executive Director)

2. Significant changes in the state of affairs

No significant changes noted in the half year ended 31 December 2025.

3. Review of operations

Financial highlights

Summary FY26 H1 Financial Results	FY26 H1 (\$m)	FY25 H1 (\$m)	% Change
Group Cash receipts from customers	12.4	10.5	Up 18%
Group Revenue & other income	10.2	8.5	Up 20%
Engineering Services Revenue	8.9	7.4	Up 20%
Technology Revenue from customers	1.2	1.0	Up 22%
Engineering EBITDA	1.0	0.4	Improved 144%
Technology EBITDA	(0.8)	(1.7)	Improved 49%
Normalised Group EBITDA ²	(0.8)	(2.2)	Improved 63%
Group EBITDA	(1.5)	(3.4)	Improved 58%
Group Net Loss After Tax	(2.5)	(4.2)	Improved 40%

1. Prior Comparative Period ("pcp").

2. Normalised EBITDA excludes costs which are discretionary for the purposes of exploring strategic long term growth opportunities and/or activities and expenses which are not considered to be typical ongoing operational overheads for the business.

Synertec generated revenue and other income for the Period of \$10.2 million (31 December 2024: \$8.5 million). Engineering business strengthens its performance by continuing to remain profitable and operating cash positive. Revenue in Engineering for the Period was \$8.9 million (31 December 2024: \$7.4 million) with >85% of revenue from consulting projects versus fixed price assignments. The 3 Powerhouse assets commercialised with Santos Limited (ASX:STO) contributed \$1.2 million of revenue (31 December 2024: \$1 million).

Normalised EBITDA before R&D activities, which excludes the effects of non-operating and non-recurring items and R&D costs, was a Group loss of \$0.8 million (31 December 2024: loss of \$2.2 million).

3. Review of operations (continued)

Financial highlights (continued)

Operations

Engineering Update

Sustainable Growth: The Engineering Business has had a strong first half, finishing the period above budget for revenue, margin and utilisation. From a BD perspective the total pipeline position has increased to over \$110 million of opportunities with a high portion flowing from our suite of panel arrangements across the country. The Business Development team is focused on two KPI's, conversion of the pipeline to profitable projects, while continuing to expand the pipeline to set the business up for sustained growth across the second half and into FY27 and beyond.

Industry Sector Alignment: Restructuring of the Engineering Business to align with our focus industries has driven significant BD activity over the first half. In the period the Engineering business submitted 190 tenders worth a total of \$41 million across all 5 of our industry sectors of Water, Transport, Energy & Resources, Life Sciences, Defence & Manufacturing. The Business also secured significant project wins with Energy clients, across numerous clients in Life Sciences as well as over \$6 million worth of projects under our various Water panel arrangements around the country.

Geographic Expansion: The first half of FY26 saw strong growth from our geographic expansion of the Engineering business nationally. In NSW we have mobilised a team of engineers, led by our state manager, and established our NSW office in Parramatta. In addition to securing over \$1 million worth of work directly with Sydney Water, the team have also identified a number of promising opportunities in other industry sectors in NSW. Our Perth team continued to grow during the period, also securing over \$1 million worth of work with WaterCorp and adding over \$8 million of tendered opportunities to the pipeline. More broadly the team continues to pursue promising opportunities in Queensland, Tasmania and New Zealand along with pre-positioning for long-term panel opportunities due to open up in the second half.

Powerhouse Update

Powerhouse is Synertec's proprietary, AI-driven, 100% renewable microgrid power system designed to deliver reliable, zero-emission power for industrial-scale remote applications. Underpinned by exceptional field performance and strengthening of strategic supply-chain partnerships designed to reduce cost and accelerate build-out, Powerhouse continues to transition from early-stage commercial deployment toward scalable deployment and recurring revenue generation under long-term rental arrangements.

During the six months ended 31 December 2025 (FY26 1H), Powerhouse delivered continued operational excellence, expanded its contracted asset base, secured an additional tier-one energy customer and progressed its manufacturing and supply chain scalability strategy. With strong BD activity during the period and multiple client award decisions pending, it is now positioned at an important commercial inflection point as it moves from validation to measured scale.

Operational Performance and Reliability: Powerhouse's AI-driven Predictive Intelligence delivers guaranteed high availability power without fossil-fuel back-up, outperforming traditional thermal and hybrid systems on reliability and lifecycle cost in remote industrial settings.

Powerhouse units in the field continued to operate seamlessly across remote gas operations in Queensland. Cumulative operating history now exceeds five years, with power availability consistently greater than 99.9%. New Generation units have delivered availability in excess of 99.98% over 2.5 years, with only one planned maintenance visit during that period and zero unplanned maintenance callouts, underscoring the low-touch operating and maintenance profile and operator safety advantages.

This sustained reliability reinforces Powerhouse's core value proposition: a fully renewable, grid-forming solution capable of replacing diesel or hybrid systems without compromising availability, safety or operational continuity in harsh and remote environments. The key attributes—redundant controls, weather forecasting, autonomous load management, remote monitoring, and rapid redeployment—continued to resonate with customers, as reflected in both repeat orders and new operator adoption.

3. Review of operations (continued)

Operations (continued)

Revenue and Earnings Contribution: Powerhouse generates recurring revenue under BOOM rental contracts, providing predictable annuity-style cash flows over the life of each deployed asset. During FY26 1H, installed Powerhouse units generated revenue of \$1.2 million at EBITDA margins exceeding 90%.

Revenue contribution is expected to increase in FY26 H2 following deployment of additional units currently under construction. The underlying 15-year asset life supports long-duration revenue visibility once deployed.

Contracted Growth and Customer Expansion: Mr David Harris will engage with global component suppliers and manufacturers to ensure an adequate, timely, and cost-competitive supply chain, crucial for maintaining operational efficiency and cost-competitiveness.

Construction and Productisation: Multiple Powerhouse units progressed through fabrication during the period, with deployment expected in FY26 4Q. Management continued its focus on productising the construction process to improve repeatability, reduce complexity and enable scalable deployment.

Quality assurance capability has been strengthened across both Australian and offshore manufacturing locations to support efficient factory acceptance testing and streamlined rollout as order volumes increase.

Strategic Partnerships and Cost Optimisation: The Memorandum of Understanding with Ritar International Group announced in June 2025 supports integration of advanced battery technology and enhanced manufacturing scalability, as well as significant unit-cost deflation for Powerhouse. This is proving to be the case as further units have been constructed during this period.

At scale, management is targeting material reductions in unit manufacturing cost, improving long-term margin resilience and deployment capacity. Further engagement with strategic partners during the half year strengthened supply chain resilience, enhanced business development access and supported cost optimisation initiatives.

Pipeline and Outlook: During FY26 1H, Powerhouse submitted over \$70 million in detailed tender responses, with multiple award decisions anticipated in the near term. The Company is observing increasing inbound engagement, reflecting the strengthening market reputation of Powerhouse. Demonstrated operational performance, combined with targeted exposure through industry conferences and presentations, is translating into a growing volume of invited tender opportunities. The opportunity pipeline continues to expand across both existing energy customers and adjacent remote industrial and grid-firming applications.

Powerhouse enters FY26 2H with multiple contracted units across multiple customers, including units under construction, recurring high-margin rental revenue, strengthened manufacturing and business development partnerships and increasing market validation. Synertec remains laser-focused on continuing to strengthen its position for disciplined scaling of Powerhouse in its targeted renewable energy markets.

Synertec Corporation Limited
Directors' Report
31 December 2025

3. Review of operations (continued)

Financial review

Balance Sheet (\$ million)	31 Dec 2025	30 Jun 2025	\$ Change
Total Assets	15.3	16.9	Down 1.6
Cash at Bank	2.7	3.7	Down 1.0
Net Assets	2.6	4.8	Down 2.2
Net Tangible Assets per Share (cents)	0.5	0.9	Down 0.4

Total Assets of \$15.3 million (30 June 2025: \$16.9 million), the decrease is driven by reduction in outstanding debtor balance by \$1.0 million, reduction in cash balance by \$1.0 million offset by \$0.4 million increase in fixed asset build for Powerhouse.

Net Assets of \$2.6 million (30 June 2025: \$4.8 million), includes cash of \$2.7 million (30 June 2025: \$3.7 million). The movement in Net Assets is mainly due to the reduction of total assets by \$1.6 million and an increase in liabilities due to a \$0.5 million drawdown and fees payable.

The business continues to operate with no bad or doubtful debts, debtor days remaining within its target range of 35-45 days and with a focus on receivables, debtor balance has reduced by \$1.0 million from \$2.7 million at 30 June 2025, to \$1.6 million at 31 December 2025.

Cash Flow (\$ million)	FY25 H1	FY24 H1	\$ Change
Cash receipts from customers	12.4	10.5	Up 1.9
Net cash used in operating activities	0.5	(1.2)	Up 1.7
Net increase / (decrease) in cash excluding drawdowns	(1.5)	(2.8)	Up 1.3

Cash receipts from customers were \$12.4 million for the half year (31 December 2024: \$10.5 million), an increase of \$1.9 million, or 18% on the prior corresponding period, reflecting the continued growth in Group revenue. Cash outflows to suppliers and employees remained broadly consistent with the prior year, despite the substantial uplift in revenue, demonstrating management's disciplined focus on reducing corporate and overhead expenditure. As a result, net cash from operating activities for 1H was a positive \$0.5 million.

The use of funds in the Period other than operating activity can be accounted for as below.

- Powerhouse assets under construction account for approximately \$0.8 million outlay for powerhouse construction of Shell unit and #4 for Santos. Note: Site commissioning for both Powerhouses will be completed in 4Q FY26
- \$0.4 million was payment of Altor finance servicing costs and payments related to Altor borrowing
- \$0.4 million repayment of insurance premium borrowing
- \$0.2 million payment for Phnxx Investment (\$0.1 million still pending).

Synertec Corporation Limited
Directors' Report
31 December 2025

3. Review of operations (continued)

Segment performance

The Group's business is structured into two key areas of operation, being Engineering Solutions ('Engineering') and Technology and Future Business ('Technology'). These two divisions/segments are managed separately as each requires different skills, technologies, marketing approaches and other resources. All inter-segment transfers are conducted at arm's length, based on Synertec's standard hourly charge rates.

The Corporate area of the Group, which is primarily a cost center, includes the Board and Executives which oversee the function and strategic direction of Engineering and Technology, as well as the governance and operation of the Company. The activities of the head company include governance oversight, corporate development, investor relations and other functions associated with the operation, governance and regulatory compliance of the Group's head company.

FY26 H1 (\$ million)	Engineering	Technology	Corporate	Total	Inter- segment	External sources
Revenue & Other Income	9.7	1.3	-	11.0	(0.8)	10.2
Segment Normalised EBITDA	1.0	(0.5)	(1.0)	(0.4)	(0.4)	(0.8)
Segment EBITDA	1.0	(0.8)	(1.2)	(1.1)	(0.4)	(1.5)

FY25 H1 (\$ million)	Engineering	Technology	Corporate	Total	Inter- segment	External sources
Revenue & Other Income	8.9	1.1	-	10.1	(1.5)	8.5
Segment Normalised EBITDA	0.4	(1.0)	(1.0)	(1.6)	(0.6)	(2.2)
Segment EBITDA	0.4	(1.7)	(1.6)	(2.9)	(0.6)	(3.4)

Following the right-sizing undertaken FY25 2Q, the Engineering business unit is now positioned for a period of strong and sustained performance. With the business increasingly driven by consultancy services in recent years, we expect continued strengthening of Engineering gross margins as this mix shift supports higher-quality, higher-margin revenue.

Higher margins compounded by cost out measures, ongoing savings from a proactive restructure of the business and effective utilisation of resources contributed to significant uplift in the Engineering EBITDA to \$1 million (31 December 2024: \$0.4million).

Revenue for the Engineering business includes services and materials provided to the Technology business of \$0.8 million (31 December 2024: \$1.5 million) for the development and construction of Powerhouse assets.

Group Segmented Normalised External EBITDA improved by \$1.4 million to \$0.8 million loss from \$2.2 million loss in pcp. Prior to normalisations External EBITDA improved by \$1.9 million to a \$1.5 million loss from \$3.4 million in pcp.

3. Review of operations (continued)

Social and Sustainability Impact

Synertec is committed to working with social enterprises that contribute to a better outcome for people and the environment. We are committed to making social procurement “business as usual”.

Synertec is actively engaged with 8 different social enterprises as part of our day-to-day business activities and we have procured in excess of \$129,542 of goods and services from social enterprises within the Period.

Our strategic direction builds on our established foundation, supporting the global energy transition and electrification through Powerhouse and our engineering business, reducing our carbon footprint, adhering to environmental regulations, and fostering sustainable initiatives and operating in an accountable and transparent manner for all of Synertec's stakeholders.

Outlook

During the remainder of FY26, Synertec will:

- Safely and efficiently complete the construction and commissioning of the Powerhouse unit #1 for Shell and unit #4 for Santos, ensuring delivery to specification and schedule;
- Continue to progress our Engineering growth strategy by targeting and securing long-term contracts with Government agencies and major infrastructure clients, while maintaining disciplined resource utilisation and overhead management;
- Prioritise the conversion of near-term Powerhouse opportunities into contracted revenue;
- Advance commercial opportunities to deploy our Powerhouse IP into adjacent and emerging markets;
- Leverage supply-chain partnerships established in the prior financial year to deliver material cost efficiencies and enhance supply resilience.

4. Litigation

There has been no litigation in the half-year Period and to the best of the Directors' knowledge there are no circumstances that would give rise to any potential litigation relating to this same Period.

5. Dividends

There were no dividends paid, declared or recommended during the current or previous financial Period.

6. Subsequent events

Post period end the Group has entered into a binding Variation Agreement with Altor Capital to reorganise and extend Tranche 3 & 4. As part of this agreement the \$1.5 million from Tranche 4 has been reallocated to Tranche 3 and in effect closing Tranche 4. In addition, Tranche 3 has been extended by \$2.0 million. This enables the Group to access \$6 million in Tranche 3 out of which \$0.5 million has been drawn at 31 December 2025. The covenant measurement period has also been revised from monthly to a quarterly measurement. All other terms of the facility remain consistent. No other matter or circumstances has arisen since 31 December 2025 that has significantly affected or may significantly affect the consolidated entity's operations, the results from those operations, or the consolidated entity's state of affairs in future years.

7. Officers of the Company who are former audit partners of auditor

There are no officers of the Company who are former audit partners of Grant Thornton Audit Pty Ltd.

8. Auditor

Grant Thornton Audit Pty Ltd continues in office.

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



On behalf of the Directors,
Mr. Michael Carroll
Managing Director
Melbourne
27 February 2026

Synertec Corporation Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2025

	Note	31 Dec 2025	31 Dec 2024
		\$	\$
Revenue			
Revenue	4	10,100,966	8,379,729
Other income	4	81,845	137,789
		10,182,811	8,517,518
Expenses			
Materials and service expense		(1,094,013)	(462,717)
Employee benefits expense		(7,628,511)	(7,961,849)
Depreciation and amortisation expense		(486,325)	(474,442)
Technology research and development costs		-	(315,208)
Business and corporate development expenses		(1,465,059)	(1,638,170)
Other expenses		(1,522,156)	(1,583,195)
		(2,013,253)	(3,918,063)
Results from operating activities			
Finance income		66,558	91,000
Finance costs		(583,758)	(418,724)
		(517,200)	(327,724)
Loss from operations before tax			
		(2,530,453)	(4,245,787)
Income tax expense		-	-
		(2,530,453)	(4,245,787)
Loss from operations after tax			
Other comprehensive income for the half-year, net of tax		-	-
		(2,530,453)	(4,245,787)
Total comprehensive loss for the half-year			
Earnings per share			
Basic loss per share (cents per share)	12	(0.49)	(0.82)
Diluted loss per share (cents per share)	12	(0.49)	(0.82)

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

Synertec Corporation Limited
Consolidated Statement of Financial Position
As at 31 December 2025

	Note	31 Dec 2025	30 Jun 2025
		\$	\$
Assets			
Cash and cash equivalents	5	2,690,966	3,699,388
Trade and other receivables		1,626,684	2,670,755
Contract assets		1,117,546	1,225,853
Inventories	6	799,682	720,486
Other assets	7	865,534	761,195
Total current assets		7,100,412	9,077,677
Non-current assets			
Property, plant and equipment	8	7,225,138	6,798,924
Financial assets	10	1,000,000	1,000,000
Total non-current assets		8,225,138	7,798,924
Total assets		15,325,550	16,876,601
Liabilities			
Trade and other payables	9	5,955,966	4,957,560
Interest bearing liabilities	11	825,909	2,966,593
Employee benefits		1,533,015	1,627,007
Contract liabilities		430,120	536,273
Lease liabilities		474,412	470,694
Total current liabilities		9,219,422	10,558,127
Non-current liabilities			
Interest bearing liabilities	11	2,213,763	36,688
Employee benefits		310,311	249,376
Lease liabilities		1,012,312	1,226,621
Total non-current liabilities		3,536,386	1,512,685
Total liabilities		12,755,808	12,070,812
Net assets		2,569,742	4,805,790
Equity			
Issued capital		27,644,646	27,644,646
Share option and warrants reserve	13	1,773,028	1,478,622
Retained earnings		(26,847,931)	(24,317,478)
		2,569,742	4,805,791
Total equity		2,569,742	4,805,790

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Synertec Corporation Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2025

	Issued capital	Share option and warrants reserve	Retained earnings	Total	
	\$	\$	\$	\$	
Balance at 1 July 2024	27,642,680	1,514,128	(17,103,073)	12,053,735	
Issue of shares	1,966	-	-	1,966	
Employee share-based compensation	-	234,527	-	234,527	
Loss for the half-year	-	-	(4,245,787)	(4,245,787)	
Total comprehensive loss	-	-	(4,245,787)	(4,245,787)	
Balance at 31 December 2024	27,644,647	1,748,655	(21,348,860)	8,044,441	
Balance at 1 July 2025	27,644,646	1,478,622	(24,317,478)	4,805,789	
Employee share-based compensation	13	-	135,750	-	135,750
Warrants issued	13	-	158,656	-	158,656
Loss for the half-year	-	-	(2,530,453)	(2,530,453)	
Total comprehensive loss	-	-	(2,530,453)	(2,530,453)	
Balance at 31 December 2025	27,644,646	1,773,028	(26,847,931)	2,569,742	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Synertec Corporation Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2025

	31 Dec 2025	31 Dec 2024
	\$	\$
Cash flows from operating activities		
Cash receipts from customers	12,403,622	10,494,760
Cash paid to suppliers and employees	(11,894,504)	(11,918,467)
Cash used in operations	509,118	(1,423,708)
Government grant received	-	499,332
Payments for R&D activities	-	(315,208)
Net cash from/used in operating activities	509,118	(1,239,583)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	21,299	-
Payment to Phnxx	(150,000)	-
Payment for capital work in progress	(698,061)	(334,135)
Payment for property, plant and equipment	(97,769)	(500,692)
Net cash used in investing activities	(924,531)	(834,827)
Cash flows from financing activities		
Repayment of finance lease liabilities (principal)	(276,817)	(188,611)
Finance cost paid	(252,000)	(58,217)
Repayment of other liabilities	(408,399)	(475,845)
Payments associated with loan	(155,795)	-
Loan received	500,000	3,465,000
Net cash used in/from financing activities	(593,010)	2,742,326
Net decrease/increase in cash and cash equivalents	(1,008,423)	667,916
Cash and cash equivalents at beginning of the half-year	3,699,389	6,418,920
Cash and cash equivalents at end of the half-year	2,690,966	7,086,836

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

Synertec Corporation Limited
Notes to the financial statements
For the half-year ended 31 December 2025

1. Basis of preparation

The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of ASX Listing Rules and International Financial Reporting Standard IAS 34: "Interim Financial Reporting".

These financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2025 and any publications made by Synertec Corporation Limited during the half-year in accordance with continuous disclosure requirements arising under ASX Listing Rule 3.1. The half-year financial statements do not include full disclosures of the type normally included in annual financial statements. The accounting policies adopted are consistent with those of the previous financial year except where otherwise disclosed.

2. Material accounting policies

Going concern

The Directors identified a net current asset deficiency, being current assets less current liabilities, of \$2.1 million.

To address this and provide the Group with sufficient liquidity, the Group has signed a binding variation agreement to reorganise and extend the funding structure. This enables the company to access \$6 million total within Tranche 3 of which \$0.5 million has been drawn as at 31st December 2025. The Group remained fully compliant with all financing covenants during the period.

Having regard to these factors, together with forecast cash flows and available funding facilities, the Directors have concluded that the going concern basis of accounting remains appropriate. Accordingly, the financial statements have been prepared on a going concern basis, and no adjustments have been made that would be required if the Group were unable to continue as a going concern.

3. Operating segments

The Group restructured the business in July 2021 to form two key areas of operation, being Engineering Solutions ('Engineering') and Technology and Future Business ('Technology'). These two divisions/segments are managed separately as each requires different skills, technologies, marketing approaches and other resources. This is the basis on which information is internally provided to the Chief Operating Decision Makers ('CODMs') for assessing performance and making operating decisions. All inter-segment transfers are conducted at arm's length prices based on prices charged to customers in stand-alone sales of identical goods or services.

The segment disclosures are before corporate costs. The Corporate area of the Group, which is a cost centre, includes the Board and Executives which oversee the function and strategic direction of Engineering and Technology, as well as the governance, financing and operation of the public ASX-listed head parent company, Synertec Corporation Limited. The activities of the head company include governance oversight, finance and related affairs, corporate development, investor relations and other functions associated with the operation and regulatory compliance of the Group's head company.

It includes parent company costs and interest income and charges which are not otherwise allocated to operating segments as this type of activity is driven by the Group function, which manages the cash position, governance and compliance for the Group as a whole.

Synertec Corporation Limited
Notes to the financial statements
For the half-year ended 31 December 2025

3. Operating segments (continued)

The Board assesses the performance of the operating segments based on a measure referred to as Normalised EBITDA, which excludes the effects of non-operating and non-recurring costs.

The revenues and profit generated by each of the Group's two key business segments and the Corporate division, and their respective segment assets and liabilities are summarised as follows:

	Six months to 31 Dec 2025		
	Engineering	Technology	Total
	\$	\$	\$
Revenue and other income			
From external customers	8,893,090	1,207,876	10,100,966
From other segment ⁽¹⁾	799,928	-	799,928
Government incentives	-	81,845	81,845
Segment revenues and other income	9,693,018	1,289,721	10,982,739
Segment normalised EBITDA⁽³⁾	1,018,228	(456,065)	562,163
Powerhouse net R&D	-	66,036	66,036
Depreciation and amortisation	(54,870)	(185,183)	(240,052)
Corporate development ⁽²⁾	(43,271)	(456,386)	(499,656)
Segment operating profit / (loss)	920,088	(1,031,596)	(111,508)
Segment assets	5,131,121	6,739,190	11,870,311
Segment liabilities	5,855,329	491,609	6,346,938

	Six months to 31 Dec 2024		
	Engineering	Technology	Total
	\$	\$	\$
Revenue and other income			
From external customers	7,389,871	989,858	8,379,729
From other segment ⁽¹⁾	1,533,425	-	1,533,425
Government incentives	-	137,789	137,789
Segment revenues and other income	8,923,296	1,127,647	10,050,943
Segment normalised EBITDA⁽³⁾	416,057	(1,007,145)	(591,088)
Powerhouse net R&D	-	(187,419)	(187,419)
Depreciation and amortisation	-	(146,522)	(146,521)
Corporate development	(48,400)	(461,207)	(509,607)
Segment operating profit / (loss)	367,657	(1,802,293)	(1,434,635)
Segment assets	4,223,686	5,658,501	9,882,187
Segment liabilities	4,692,993	74,684	4,767,678

⁽¹⁾ The revenue recognised by the Engineering business includes the provision of services to the Technology business, primarily relating to Powerhouse.

⁽²⁾ Corporate development expenses partly includes employee expenses dedicated towards developing future pipeline of work and orders for the company.

⁽³⁾ Segment normalised EBITDA excludes the effect of non-operating and non-recurring items.

Synertec Corporation Limited
Notes to the financial statements
For the half-year ended 31 December 2025

3. Operating segments

The totals presented for the Group's operating segments reconcile to the key financial figures as presented in its financial statements as follows:

	31 Dec 2025	31 Dec 2024
	\$	\$
(i) Revenue and other income		
Total reportable segment revenues	10,982,739	10,050,944
Elimination of inter-segment revenues	(799,928)	(1,533,425)
	10,182,811	8,517,518
(ii) Segment operating profit/(loss)		
Segment operating profit / (loss)	(111,508)	(1,434,634)
Elimination of inter-segment profits	(366,076)	(562,567)
Corporate expenses	(1,535,668)	(1,920,861)
Group operating loss	(2,013,253)	(3,918,063)
Finance income	66,558	91,000
Finance costs	(583,758)	(418,724)
Group loss before tax	(2,530,453)	(4,245,787)
(iii) Segment assets		
Segment assets	11,870,311	9,882,187
Corporate assets	3,455,239	7,663,701
Total assets	15,325,550	17,545,887
(iv) Segment liabilities		
Segment liabilities	6,346,938	4,767,678
Corporate liabilities	6,408,870	4,733,769
Total liabilities	12,755,808	9,501,447

4. Revenue

	31 Dec 2025	31 Dec 2024
	\$	\$
Revenue streams		
Engineering services	7,651,733	6,594,147
Fixed price solutions	1,241,357	795,724
Technology products	1,207,875	989,858
	10,100,966	8,379,729
Other income		
Government benefits - research and development tax credits	66,036	137,789
Profit on sale of fixed asset	14,559	-
Other	1,250	-
	81,845	137,789
	10,182,811	8,517,518

Revenue recognised under Technology contracts is recognised as an operating lease following guidelines by IFRS 16. Future undiscounted lease payments to be received on an annual basis are as follows:

	Lease Revenue from Technology Contracts					Total
	Within one year	One to two years	Two to three years	Three to four years	Four to five years	
	\$	\$	\$	\$	\$	
Lease revenue	2,415,000	2,415,000	-	-	-	4,830,000

The minimum term of the contracts is 3 years. It is expected by both parties that the Powerhouse System will be continuously deployed and contracted over at least 7 years with minimum expected revenue of \$2.4 million per annum.

Synertec Corporation Limited
Notes to the financial statements
For the half-year ended 31 December 2025

5. Cash and cash equivalents

	31 Dec 2025	30 Jun 2025
	\$	\$
Bank balances	2,689,662	3,698,084
Cash on hand	1,304	1,304
	2,690,966	3,699,388

5A. Reconciliation of cash flows from operating activities

	31 Dec 2025	31 Dec 2024
	\$	\$
Cash flows from operating activities		
Loss for the half-year	(2,530,453)	(4,245,787)
Non-cash adjustments:		
Government benefits - research and development tax credits	(66,036)	(127,789)
Share based payment	135,750	234,527
Depreciation and amortisation	486,325	474,442
Profit on sale of fixed asset	(14,559)	-
Net interest costs	517,200	365,746
	(1,471,773)	(3,298,861)
Decrease in contract assets	108,307	178,454
Decrease in other assets	513,467	1,046,006
Increase in inventory	(79,196)	(269,820)
Decrease/(increase) in trade and other receivables	755,785	1,146,792
Decrease in trade and other payables	879,003	(162,196)
(Decrease)/increase in employee benefits	181,883	(202,933)
Decrease in finance liabilities	(276,817)	(188,611)
Increase/(decrease) in contract liabilities	(105,250)	(24,733)
Cash used in operating activities	505,409	(1,775,902)
Interest received net of interest paid	-	38,023
R&D grant income received	-	499,332
Realised foreign currency (loss)/gain	3,709	(1,036)
Net cash from/used in operating activities	509,118	(1,239,583)

6. Inventories

	31 Dec 2025	30 Jun 2025
	\$	\$
Inventories	799,682	720,486

Inventories primarily relate to key components for technology products. Components consumed in the construction of the Powerhouse units have been accounted as Capital work in progress. Refer to Note 8.

7. Other assets

	31 Dec 2025	30 Jun 2025
	\$	\$
Prepayments and other debtors	518,584	670,770
Deposits	45,345	40,264
Other Assets	301,605	50,161
	865,534	761,195

Synertec Corporation Limited
Notes to the financial statements
For the half-year ended 31 December 2025

8. Property, plant and equipment

	Computers	Furniture and equipment	Leasehold improvements	Motor vehicles	Right-of-use assets	Powerhouse plant and equipment and Capital work in progress ⁽¹⁾	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance at 1 Jul 2024	703,646	58,092	389,459	274,042	3,174,445	3,982,524	8,582,207
Additions	28,472	-	9,420	-	96,835	1,182,641	1,317,368
Disposals	(207,279)	(20,439)	(13,966)	-	(4,005)	-	(245,689)
Balance at 30 Jun 2025	524,839	37,653	384,912	274,042	3,267,275	5,165,165	9,653,885
Balance at 1 Jul 2025	524,839	37,653	384,912	274,042	3,267,275	5,165,165	9,653,885
Additions	60,372	2,325	-	-	29,269	856,111	948,078
Disposals	(43,475)	-	-	(34,689)	-	-	(78,164)
Balance at 31 Dec 2025	541,735	39,978	384,912	239,353	3,296,544	6,021,276	10,523,798
Accumulated depreciation							
Balance at 1 Jul 2024	546,722	35,511	134,685	109,823	1,231,779	48,272	2,106,790
Disposals	(195,579)	(19,914)	(13,787)	-	-	-	(229,280)
Depreciation/amortisation expense	101,096	14,422	46,500	38,707	471,245	305,483	977,451
Balance at 30 Jun 2025	452,239	30,019	167,398	148,530	1,703,024	353,755	2,854,961
Balance at 1 Jul 2025	452,239	30,019	167,398	148,530	1,703,024	353,755	2,854,961
Disposals	(43,475)	-	-	(17,515)	18,360	-	(42,630)
Depreciation/amortisation expense	26,662	3,616	22,766	13,337	235,489	184,455	486,325
Balance at 31 Dec 2025	435,425	33,635	190,164	144,352	1,956,873	538,210	3,298,657
Carrying amounts							
at 1 Jul 2024	156,925	22,581	254,773	164,218	1,942,665	3,934,253	6,475,417
at 30 Jun 2025	72,600	7,632	217,514	125,511	1,564,251	4,811,411	6,798,924
at 1 Jul 2025	72,600	7,633	217,514	125,511	1,564,251	4,811,411	6,798,924
at 31 Dec 2025	106,310	6,343	194,747	95,001	1,339,671	5,483,066	7,225,138

* Includes Capital work in progress of \$0.8 million (30 June 2025: Nil) relating to components of the Powerhouse assets which are currently under construction.

9. Trade and other payables

	31 Dec 2025	30 Jun 2025
	\$	\$
Current		
Trade payables	500,399	1,324,563
Other payables	5,419,158	3,626,070
Fixed price project accruals	36,409	6,927
	5,955,966	4,957,560

Synertec Corporation Limited
Notes to the financial statements
For the half-year ended 31 December 2025

10. Financial assets

	31 Dec 2025	30 Jun 2025
	\$	\$
Investment in Phnxx	1,000,000	1,000,000

At 31 December 2025, Synertec has paid \$650,000 to Phnxx, \$400,000 as cash consideration and granted IP Licence with contractual value of \$250,000. The remaining amount payable is shown in Other payables \$100,000 and Contract liability \$250,000.

11. Interest bearing liabilities

Details of the Group's Interest bearing liabilities:

	31 Dec 2025	30 Jun 2025
Current	\$	\$
Interest bearing liabilities ⁽¹⁾	825,909	2,966,593
Non-Current		
Interest bearing liabilities ⁽¹⁾	2,213,763	36,688

⁽¹⁾ Included in interest-bearing liabilities is amount of \$3.5 million from Tranche 1, plus capitalised interest, drawn from the \$15 million Funding Facility Agreement with Altor Capital Management, during the period. \$0.5 million has been drawn from Tranche 3. This is offset by capital borrowing costs relating to capitalisation of transaction costs and warrants, which were issued as part of securing the \$15 million and the \$4 million debt facility, reclassified to financial liability. The warrants are being amortised over the life of the financial liability.

Utilised funding Facility	4,000,000	3,500,000
Unused funding Facility	17,000,000	15,500,000
Total funding Facility	21,000,000	19,000,000

Lender and Loan Amount Tranche 3 & 4

The Group entered into a \$4 million funding amendment deed with Altor Capital Management on 29 August 2025, comprising two tranches – Tranche 3 of up to \$2.5million and Tranche 4 of up to \$1.5 million (Note: Tranche 1 and Tranche 2 relate to the original facility). Subject to meeting certain specified pre-conditions, the Group can draw down on these Tranches (minimum drawdown of \$0.5 million) for working capital purposes. As at the reporting date, the Group has utilised \$0.5 million of the funding available under this new facility.

Post 31 December 2025, the Group entered into a binding variation agreement with Altor Capital Management to reorganise and extend the facility. As part of this agreement Tranche 4 has now been closed and \$1.5 million from Tranche 4 has been moved to Tranche 3. In addition Tranche 3 has been extended by a further \$2million. This enables the Group to access \$6 million in Tranche 3 out of which \$0.5 million has been drawn at 31 December 2025.

Interest Rate

Fixed interest of 16% with 1st drawdown after 1st October 2025. Facility term of 18 months.

Repayment

Interest on the facility may be accrued on lender's discretion. Principal to be repaid as a bullet repayment at the end of term.

Synertec Corporation Limited
Notes to the financial statements
For the half-year ended 31 December 2025

11. Interest bearing liabilities (continued)

Warrants

As part of the amendment deed signed on 29 August 2025 Synertec will cancel 18.5 million warrants issued as part of original facility. Issue 7.8 million warrants as part of extension facility. Refer to Note 13 for warrant valuation.

Covenants

Compliance around EBITDA in line with FY26 organisation Budget and Minimum Unrestricted Cash Balance requirements of \$0.5 million are the 2 covenants that will be measured under Tranche 3 for FY26. All prior covenants from Tranche 1 and 2 will not be measured as they are now aligned to new covenants of Tranche 3. Post period end as part of the variation agreement the covenant measurement period has been revised from monthly to a quarterly measurement.

12. Earnings per share

In accordance with IAS 33 'Earnings Per Share', as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account for the half-year ended 31 December 2025.

Earnings per share from continuing operations	31 Dec 2025	31 Dec 2024
	\$	\$
Loss after tax	(2,530,453)	(4,245,787)
Weighted average number of ordinary shares used in calculating basic earnings per share	519,334,418	519,325,681
Basic loss per share (cents per share)	(0.49)	(0.82)
Diluted loss per share (cents per share)	(0.49)	(0.82)

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

13. Share option and warrants reserve

	Share option	Warrants	Total
	\$	\$	\$
Balance at 1 Jul 2025	392,903	1,085,719	1,478,622
Share options issued	135,750	158,656	294,406
Balance at 31 Dec 2025	528,653	1,244,375	1,773,028

Share Option

Opening share option balance consists of below:

At the Company's 2024 Annual General Meeting, shareholders approved the grant of issue of 15,050,786 performance rights to Michael Carroll and 13,385,441 performance rights to David Harris.

At the Company's 2024 Annual General Meeting, shareholders approved the grant of issue of options to the Company's Independent Non-Executive Directors. 4,000,000 options were issued to Mr Johannes Risseeuw, 2,800,000 options to Mr Ian Campbell and 2,800,000 options to Mr Peter Lamell.

A professional independent valuation of the performance rights and options has been performed by accounting and advisory firm, SLM Australia.

The fair value of share-based payment transactions was determined using a binomial option valuation model. The model requires certain inputs in order to determine an appropriate fair value. These inputs include share price at grant date, risk free rate, volatility factor, exercise price, time to maturity and expected dividend yield.

During the period, share option balance increased due to expense being recognised for the above.

13. Share option and warrants reserve (continued)

Warrant Options

During the period, on 29 August as part of an extension facility of the original facility, Synertec has cancelled 18.5 million warrants issued as part of original facility, and replaced it with 7.8 million warrants at an exercise price of 2 cents per share.

Valuation Methodology: Warrants are measured at fair value. The fair value of the warrant options was determined indirectly by calculating the difference between the fair value of the Facility Agreement with the warrants and the fair value of the Facility Agreement without the warrants. The fair value of the Facility Agreement was assessed using a discounted cash flow analysis and crosschecked using other valuation techniques.

Initial Recognition: The warrant options were initially recognised as equity instruments at a fair value of \$130,093 on the date of issuance. These warrants represent 1.5% of issued share capital on signing of the extension facility, with a further 0.5% of issued share capital to be granted upon each subsequent drawdown of \$0.5 million under Tranches 3 and 4. As the warrant options are classified as equity instruments, they are measured at fair value on the grant date and are not subsequently remeasured.

The warrants were classified as equity instruments on the basis that each warrant is convertible to an ordinary share. The warrants met with fit for fixed criteria in IAS 32 making them equity in nature.

Disclosure of Fair Value: Fair value of warrant options at the date of issuance of 1.5% equates to \$130,093 and the fair value of warrant options on 1st drawdown from Tranche 3 of 0.5% equates to \$28,563.

14. Subsequent events

Post period end the Group has entered into a binding Variation Agreement with Altor Capital to reorganise and extend Tranche 3 & 4. As part of this agreement the \$1.5 million from Tranche 4 has been reallocated to Tranche 3 and in effect closing Tranche 4. In addition, Tranche 3 has been extended by \$2.0 million. This enables the Group to access \$6 million in Tranche 3 out of which \$0.5 million has been drawn at 31 December 2025. The covenant measurement period has also been revised from monthly to a quarterly measurement. All other terms of the facility remain consistent. For further details refer to Note 11 as part of this report.

Synertec Corporation Limited
Directors' declaration
31 December 2025

In the Directors' opinion:

1. The attached financial statements and notes comply with the International Financial Reporting Standard IAS 34 'Interim Financial Reporting'; as appropriate for for-profit oriented entities;
2. The attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
3. 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.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'M. Carroll', is written above a horizontal line.

Mr. Michael Carroll
Managing Director

27 February 2026

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Independent Auditor's Review Report

To the Members of Synertec Corporation Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Synertec Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information, 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 accompanying half-year financial report of Synertec Corporation Limited does not present fairly, in all material respects, the financial position of the Group as at 31 December 2025 and of its performance for the half-year ended on that date in accordance with IAS 34 *Interim Financial Reporting*.

Basis for Conclusion

We conducted our review in accordance with ISRE 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.

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Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with International Accounting Standards and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation 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 ISRE 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 does present fairly, in all material respects, the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard IAS 34 *Interim Financial Reporting*.

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 International 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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 27 February 2026