



Half-Yearly Report

31 December 2025

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ABOUT

WestStar Industrial Limited (ASX: WSI)

(‘WestStar’ or the ‘Company’)

An Australian owned company that through its subsidiaries, Alltype Engineering, SIMPEC and Watmar Engineering, provides industrial project solutions centred around engineering, fabrication, construction and maintenance services within the resources, energy, oil and gas, petrochemical, defence, marine, water and infrastructure sectors.

OPERATING COMPANIES



OUR SERVICES

- Multidiscipline Construction Contracting
- Structural Mechanical Piping (SMP)
- Electrical and Instrumentation (E&I)
- Fabrication of Pipe Plate and Structural Steel
- Non-Process Infrastructure (NPI)
- Rotating Equipment Installation
- Fluid Systems Solutions, Equipment & Services
- Department of Defence, Supply & Maintenance
- Asset Management Services
- OEM Equipment, Technical Support, Parts and Services
- Maintenance Shutdowns and Turnarounds
- Design and Construct / EPC Projects
- Multidiscipline Turnkey Projects



DIRECTOR REPORT

The Directors of WestStar Industrial Limited submit the financial report of WestStar Industrial Limited (“the Company”) and its controlled entities (“the Group” or “Consolidated Entity”) for the half-year ended 31 December 2025. In order to comply with the provisions of the Corporations Act 2001, the Directors’ report as follows:

DIRECTORS

The names of the Company’s Directors in office during or since the end of the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Philip Re	Non-Executive Chairman
Mr Robert Spadanuda	Group Chief Executive Officer and Managing Director
Mr Lay Ann Ong	Non-Executive Director

The qualifications and experience of the Company’s Directors are outlined in the 30 June 2025 Annual Report.

OVERVIEW

WestStar Industrial Limited (Company or WestStar) (ASX: WSI), an Australian industrial services company, operating in the energy, resources, defence, marine, utility and infrastructure sectors, in metropolitan and remote areas, across Australia, is pleased to report on the Company’s 31 December 2025 Half-Yearly Report.

FIRST HALF-YEAR FINANCIAL HIGHLIGHTS

- Net Profit After Tax (NPAT) of \$525,513
- Half-Year Earnings (EBITDA) of (\$893,942)
- Revenue of \$75,920,130
- 1HY26 Alltype Engineering revenue \$16,176,660
- 1HY26 SIMPEC revenue \$57,787,061
- 1HY26 Watmar Engineering revenue \$1,956,410
- Cash Holdings of \$10.4M
- Cash Backed Bonds of \$0.7M
- Surety bond facilities totalling \$21M available to the Group.
- Debt NIL (excluding short term annual insurance premium funding finance and asset leases)

RESULTS OF OPERATIONS

	Half-year ended 31 December 2025 \$	Half-year ended 31 December 2024 \$
EBITDA*	(893,942)	1,562,583
Depreciation and amortisation	(1,433,863)	(1,274,252)
EBIT	(2,327,805)	288,331
Share based payment expense	(102,408)	(1,137,584)
Interest costs	(314,971)	(549,853)
(NLBT) / NPBT	(2,745,184)	(1,399,106)
Income tax benefit	3,270,697	38,997
NPAT / (NLAT)	525,513	(1,360,109)

* EBITDA is a non-AIFRS financial measure which is not prescribed by Australian Accounting Standards (‘AAS’)

FINANCIAL PERFORMANCE

WestStar Industrial achieved Group Revenue of \$75.9M for the half-year ended 31 December 2025 compared to \$77.4M for the previous half-year 31 December 2024. The Group reported an after-tax profit for the half year of \$525,513 but an EBITDA loss for the half-year of \$893,942. The balance sheet equity position was \$28.5M with a working capital surplus of \$16.0M.

REVENUE

WestStar Industrial recorded revenue for the half-year of \$75.9M, a decrease of 1.9% on the previous corresponding period.

SIMPEC contributed half-year revenue of \$57.8M, up 215% on the prior corresponding half-year (31 December 2024: \$18.3M).

Alltype Engineering achieved half-year revenue of \$16.2M, a decrease of 71% on the prior corresponding half-year (31 December 2024: \$56.2M).

Watmar Engineering achieved half-year revenue of \$1.9M, down 32% on the prior corresponding half-year (31 December 2024: \$2.9M).

EARNINGS

Earnings before interest, tax, depreciation and amortization (EBITDA) for the half-year ended 31 December 2025 was a loss of \$0.89M, a decrease of 157.2% on the prior half-year (31 December 2024: profit of \$1.56M).

Net profit after tax was \$0.52M, up 138.6% on the previous half-year (31 December 2024: Net loss after tax \$1.36M).

BALANCE SHEET

The Company continues to maintain its balance sheet with total equity of \$28.5M increasing by 2.2% on the prior comparative year (30 June 2025: \$27.8M). The Group held cash of \$10.4M and had a working capital surplus of \$16.0M at 31 December 2025 (30 June 2025: \$17.2M). Strengthening of the balance sheet continues to enable the Group to display and to deliver the financial capacity appropriate for its growth targets, current commitments and potential opportunities. With nil long-term debt, excluding asset lease finance, the Group continues to effectively use its balance sheet to manage new projects, growth and explore strategic and earnings accretive acquisitions, that will ultimately drive long-term sustainable growth and create improved value for shareholders.

OPERATIONS



OPERATIONS UPDATE

In recent months, the Company has secured significant contract awards exceeding \$170 million across multiple sectors laying the foundation for strong operational and commercial performance in FY26.

As market conditions continue to strengthen, SIMPEC remains focused on proactively tendering across a diverse range of industries to support our ongoing growth strategy.

SIMPEC is actively evolving and expanding into markets across energy, infrastructure, resources and defence, unlocking opportunities to perform our capabilities across a broader portfolio.

Focussed on offering clients' comprehensive services spanning Early Contract Involvement (ECI), Structural, Instrumentation, Mechanical, Piping, Electrical, and Civil construction services, this breadth of capability enables SIMPEC to deliver seamless and efficient project execution from concept through to completion.

SIMPEC's success lies in the ability to demonstrate that its capabilities are highly transferable between industry sectors, by consistently delivering a high standard of service while remaining agile across diverse markets.

OPERATIONAL HIGHLIGHTS

PLS Calix Mid-Stream Demonstration Plant – Project Completion: We are pleased to announce completion of the PLS Calix Mid-Stream Demonstration Plant.



ALCOA Residue Filtration Stage 2: Awarded the main procurement and construction contract for the Residue Filtration Stage 2 Project at Alcoa’s Pinjarra Alumina Refinery. This \$115m project involves delivering infrastructure and services to increase processing capacity to convert bauxite residue into filter cake.

Tianqi TLEA Multiple Projects: Currently completing 3 separate contracts totalling \$26m for the TLEA Kwinana Site - performing various construction, civil, electrical and instrumentation works to integrate new mechanical equipment into the existing processing plant.

Fortescue Solomon Power Station: SIMPEC is completing works for Fortescue to perform modifications to the existing Solomon Power Station as part of its Pilbara Generation Project.

National Operations: We continue to successfully expand our national footprint with contracts currently in NSW and the NT. With a strong team, we continue to develop relationships and opportunities that enable the company to consistently execute our capabilities nationally.

Western Harbour Tunnel NSW: Contract secured to supply and install the mechanical packages for two ventilation systems on the Western Harbour Tunnel.

McArthur River Mine NT: Our most recent contract award, Glencore’s McArthur River Mines. This scope of work consists of modifications to the existing site infrastructure and installing a new Filtration Plant.

National Expansion: SIMPEC has successfully expanded its national footprint, now operating out of a newly established office in Sydney. By strengthening its presence on the East Coast, SIMPEC is poised to leverage opportunities in both traditional and emerging markets, solidifying its position as a leading player in the Australian construction and maintenance sector.

Health, Safety, and Environment (HSE) Performance

Safety remains a core strategic priority for SIMPEC. The achievement of eight consecutive years without a Lost Time Injury (LTI) is a significant organisational milestone and reflects disciplined leadership, strong governance and the consistent execution of the Company’s safety management systems. This sustained performance demonstrates SIMPEC’s commitment to operational safety excellence and the protection of its people across all projects and activities.

Human Resources and Industrial Relations

SIMPEC recognises that its workforce is central to the Company’s long-term performance and sustainability. In a competitive labour market, the Company continues to advance employee engagement through targeted initiatives that align with its core values and strategic objectives. Beyond offering competitive remuneration, SIMPEC invests in professional development, cultivates a culture of continuous improvement, and implements systems designed to enhance both operational efficiency and workforce well-being. These efforts support SIMPEC’s commitment to sustainable business practices and reinforce its position as an employer of choice within the industry.

Accreditations

Further enhancing SIMPEC’s ability to meet rigorous standards in diverse industries, SIMPEC has recently built upon existing ISO accreditations achieving ISO27001 - Information Security Management.

CONCLUSION

SIMPEC enters the second half of FY26 with a strong order book, a committed workforce that values safety, collaboration and innovation, and a clear strategy to continue expanding its national footprint.

The Company remains focused on remaining agile in competitive markets while consistently delivering value to clients across the mining, energy, and infrastructure sectors.





Alltype Engineering entered FY26 with its lowest backlog since FY21 due to softer market conditions impacted by commodity pricing volatility, state and federal elections and ongoing international macroeconomic drivers.

Coupled with delays in award and commencement of projects and lead times on material procurement, the first half of FY26 operated at a greatly reduced activity level not seen since the COVID19 outbreak. Segmented revenue in 1HY26 was \$16.2M, significantly less than 1HY25 (\$56.2M), delivering an EBITDA loss position of (\$0.8M). Whilst timing of the works has not been ideal, the backlog presents a good opportunity for a solid start to 2HY26.

Despite the disappointing first half of FY26, the focus on tendering and market development has been successful in building a backlog of circa \$40M with high probability awards of circa \$100M progressing favourably toward award in 2HY26. This campaign has improved brand awareness, attracted new and diverse clients and is expected to provide some ECI (Early Contractor Involvement) project opportunities early in 2026.

Of note to the half, in September 2025, Alltype Engineering was awarded the construction services for the Tamboran gas plant, a major gas compression and processing facility construction contract in the Northern Territory, near Daly Waters, in the centre of the Beetaloo Basin gas region. This award represents one of the earliest major gas production construction contracts in the emerging basin and is in an extremely remote part of Australia. The scope includes underground services, SMP and E&I works which have progressed in accordance with the project schedule. Successful delivery will position Alltype Engineering as a reliable contractor for similar opportunities in the future, many of which are being explored or developed in parallel.

Public infrastructure works continued to support business as usual revenue in the water and road infrastructure space with contracts being progressed and completed across the metropolitan and regional areas including the Woodman Point Wastewater Treatment Plant, the Point Peron SDOOL project and the new Alkimos Desalination plant. Future water infrastructure spend is significant with Alltype Engineering well positioned to capitalise on these opportunities. The domestic gas industry continued to generate FY26 revenue and future opportunities for debottlenecking and upgrades, gas laterals and offtakes for various clients are emerging state and nationwide.

The resources sector has become more buoyant with Alltype Engineering responding to significant scopes in gold, rare earths and iron ore.

Workshop utilisation was lower commensurate with market conditions and increasing overseas competition, however careful overhead and cost controls measures allowed it to perform satisfactorily with consistent, reliable fabrication services for piping, tanks, steel, pressure vessels, skids and modules across a multitude of industries and clients, including our own internal supply chain. With significant volumes of long lead material due early in 2026, it is expected this continued investment in retention of core people will yield significant benefit via a fast ramp up for a much busier second half.

Based on these significant workshop commitments and secured revenue, there is now a business case to invest in automated welding robot technology which is expected to deliver efficiencies in existing contracts and more competitive offerings for future works, with a payback period expected to be 12 months optimistically and 24 months conservatively. Alltype Engineering has a strong history of technology deployment in fabrication and with a new drive toward local fabrication for government works, expecting this investment to be a serious differentiator in future contracts.

Health, Safety, and Environment (HSE) Performance

Alltype Engineering maintained and improved its steady safety record with a Total Recordable Injury Frequency Rate (TRIFR) well below industry benchmarks, including the manufacturing sector, across the workshop, metropolitan and remote sites with Federal Safety Commission certification progressing positively toward accreditation in the second half of FY26.





The Royal Australian Navy and its Maritime Sustainment Division – representing the Department of Defence, and correspondingly the Commonwealth of Australia – and their Prime Contractors including Babcock International, BAE Systems Australia and Navantia Australia continue to be Watmar Engineering’s most critical clients.

Key deliveries and achievements during the half year include:

- Retrofit, repair and upgrade of the STS Leeuwin II significantly improving the vessel’s capability and extending its operating life;
- RMP-W Maintenance Campaigns for Defence Australia Vessels in WA for Babcock International;
- RMP-E Maintenance Campaigns for Defence Australia Vessels in NSW for Thales Marine Systems;
- Distributorship agreement signed with Desmi Pumps enhancing Watmar’s service offering and expanding its client base; and
- Continued sales of parts and equipment to the Department of Defence.

Health, Safety, and Environment (HSE) Performance

Watmar Engineering maintained a steady safety record with HSE measures below industry benchmarks. HSEQ leading and lagging indicators demonstrate continuing improvement and a positive trend.

ISO9001, ISO14001, ISO45001, ISO17025 (NATA) audits were successfully completed during the period.



SUMMARY

In review of our half-year results, we investigate the performance of each subsidiary continuing on the desired trajectory for consistent earnings through revenue stability. As previously stated in the prior corresponding period it remains important to grow the business with diverse revenue streams, but this will not be at the expense of loss-making work in a softened market that did not meet the performance criteria set by the Board and management.

In the previous corresponding financial period **SIMPEC** had experienced stalled revenue based on delayed project awards that we are now pleased to say have well and truly come to fruition as previously predicted.

We are pleased to announce that after a reduction in revenue in FY25, SIMPEC has delivered strong operational and commercial performance for 1HY26.

In recent months, the Company has secured significant contract awards exceeding \$170M across multiple sectors which is an endorsement on management staying true to disciplines whilst continuing to build a strong tender pipeline that will deliver further awards in the near term.

Evidence of this was the September 2025 announcement of the \$115M Main Procurement and Construction Contract for the residue Filtration Stage 2 Project at Alcoa Pinjarra Alumina Refinery award. To be awarded a contract of this size and to be favoured as an industry leader for delivery is a true representation of how far the company has come over the last seven years now effectively competing with Tier1 companies and subsequently delivering successful awards with its strong reputational delivery model.

Alltype Engineering had a reduction in project revenue due to the deteriorating backlog in orders and the completion of projects. Whilst it finished FY25 with strong operating profit, it did however leave it with a reduced backlog of awarded contracts that temporarily stalled revenue and subsequent overhead recovery compared to prior corresponding periods.

As stated at FY25 the company had a defined near-term focus on rebuilding the order book and secured revenue. This continues to be a priority for the business development teams as well as completing committed projects safely, on schedule and on budget with acceptable commercial outcomes

We are however optimistic for 2HY26 that with recent awards of circa \$40M in multiple contracts announced in November 2025 together with a strong near-term tender pipeline that its reduction in revenue and consequently earnings will deliver a tale of two halves.

It is expected that Alltype Engineering will make up profitability with increased revenue and earnings in 2HY26 therefore improving overhead recovery. It is important to note that Alltype Engineering projects remain profitable and its management team have a track record of strong project delivery since its inclusion into the group.

Watmar Engineering

Watmar Engineering ("Watmar") achieved half-year revenue of \$1.9M.

With the introduction of Watmar to the Group we have commenced tendering a larger portion of marine and defence available contracts to expand our offering.

Watmar is continuing the progression into maintenance services and sustaining capital works and through these aims to deliver alternate longer term predictable revenue streams. Whilst the results of this can't be measured in a defined financial period the group believes that the pre-investment in the defence and Marine sectors will ultimately deliver sustainable returns.

An example of this exposure was Watmar's recent invitation to be represented as part of the consortium of Defence West that travelled and displayed at the Indo Pacific 2025 Expo held in Sydney on 4-6 November 2025. Here numerous contacts were made with Government and defence-based decision makers in the shadow of the Federal government's significant commitment to defence spending. Watmar remains well placed with these developing opportunities and the greater WestStar groups navigation into these alternate revenue streams is being prepared for in haste for what the company believes will be an increase in longer term sustainable earnings in the defence sector.

Whilst, broadly speaking, the defence market for Watmar is in its early stages of procurement for new and sustainment works, forward schedules and vessel requests for sustainment and new works continue to build. Despite these timing challenges and growth profile we still look for efficiencies across the business and look to maintain our existing management and workforce in readiness for project and spending commitments in this space.

GROUP FINANCIAL PERFORMANCE

The Group held cash of \$10.4M and had a working capital surplus of \$16.0M, cash backed bonds of \$0.7M as at 31 December 2025, all whilst debt remains at nil (excluding short term insurance premium funding loan and asset finance).

Surety Bond Facilities now total \$21M that has proven to be essential in new contract awards.

Recent awards since 30 September 2025 amount to circa \$175M which have now commenced being delivered to improve profitability group wide.

WestStar Industrial Limited continue to build strong reputational brands in SIMPEC, Alltype Engineering and Watmar Engineering which enable the group to take on larger multidisciplinary projects with increased earnings potential on a national scale.

RESEARCH AND DEVELOPMENT STATEMENT

The company submitted a successful R&D claim that met rigorous "new Knowledge" criteria and turned some initial "loss-making cost" into a "strategic, subsidized investment," and effective recovery of that investment capital.

This reduced the tax liability for the half year and is expected to offset future tax liability in coming periods.

By successfully capturing the R&D Tax Incentive, we have effectively converted our research efforts into a strengthened bottom line.

This non-dilutive return on our innovation spend provides us with the fiscal platform to scale our operations into the next financial year, along with the added benefits that we can deliver to our clients through innovation and industry leading technology".

The group continues to create, test and improve intellectual property for future outcomes in advanced works being carried out for our clients.

This is a successful validation of how management approaches expenditure and strategically enters projects with maximum group benefits and returns in mind.

STRATEGIC GROWTH

WestStar Industrial Limited is an Australian owned company that through its subsidiaries, Alltype Engineering, SIMPEC and Watmar Engineering provides industrial project solutions centred around engineering, fabrication, construction and maintenance services within the resources, energy, oil and gas, petrochemical, defence, marine, water and infrastructure sectors.

WestStar Industrial Limited continues to build strong reputational brands in SIMPEC, Alltype Engineering and Watmar Engineering which enables the group to take on larger multidisciplinary projects with increased earnings potential on a national scale.

The Company continues to highlight that this has been organically created currently delivering a positive balance sheet of~ \$28.5M without the need for debt funding and through profitable contracting over a sustained period.

Whilst we commenced our National geographical presence through satellite offices strategically located in NSW and QLD, we are now delivering this diversified revenue over a less concentrated earnings geography from our existing base in WA.

The increased geographical footprint is providing opportunities to capture and expand upon our existing relationships that have a national presence within these regions. Projects are now not only being tendered on a national platform, but we are pleased to report that awards have been delivered, and projects are being worked on with near term opportunities for scope growth in NSW, QLD and NT and a new objective to pursue more infrastructure works through satellite locality in SA.

We remain optimistic that the group will track positively towards profitability for FY26 with Alltype Engineering, SIMPEC and Watmar Engineering delivering the desired results they have set out to achieve.

The value proposition of WestStar Industrial Limited remains a function of size. Whilst it remains important to grow the business with diverse revenue streams this will not be at the expense of loss-making work in a softened market that does not meet the performance criteria set by the Board and management.

We continue to analyse strategic acquisition prospects in the sustaining capital and recurring revenue space. This will provide for a more balanced pipeline of opportunities across our existing core markets and geographic regions together with new opportunities group wide.

We have identified some targets and opportunities that we continue to assess on their individual merits in delivering recurring longer term revenue streams that can provide more transparency with longer term revenue and earnings visibility.

We will continue to look carefully at how we fund and integrate any acquisition opportunities on a case-by-case basis to ensure we maintain existing shareholder value.

Maintaining this effective growth strategy, combined with a solid existing order book and strong recurring revenues will position us well to capitalise on future opportunities and provide less volatility to our revenue profile.

We remain disciplined about the use of current capital to fund our operations first and foremost. We will continue to maintain this operational discipline that has proven to deliver strength in balance sheet. We continue to look at how we fund and integrate any acquisition opportunities on a case-by-case basis. Our leadership and project teams have proven themselves in the delivery of high-quality, safe, on-time, and on-budget outcomes. This dedication will drive our continued financial performance and continued success for years to come.

We would like to thank all our team members for their individual contributions and thank our long-term supportive shareholders, for their investment and ongoing support.



Robert Spadanuda
Group Chief Executive Officer and Managing Director
WestStar Industrial Limited

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF**

WESTSTAR INDUSTRIAL LIMITED

As lead auditor for the review of WestStar Industrial Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief 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.

This declaration is in respect of WestStar Industrial Limited and the entities it controlled during the half-year ended 31 December 2025.

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD



MARCIA JOHNSON

DIRECTOR

Perth, Dated 27 February 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	31 December 2025 \$	31 December 2024 \$
Revenue	4(a)	75,920,130	77,381,195
Cost of goods sold and services		<u>(67,003,559)</u>	<u>(66,539,007)</u>
Gross Margin		8,916,571	10,842,188
Other income	4(b)	396,519	518,474
Expenses:			
Occupancy expenses		(208,454)	(190,601)
Administration expenses	5(a)	(9,687,251)	(9,686,476)
Depreciation and amortisation		(1,333,232)	(1,173,621)
Amortisation of customer relationships acquired		(100,631)	(100,631)
Finance costs	5(b)	(314,923)	(549,853)
Expected credit (reversal)/loss		-	103,099
Share based payments expense	11	(102,408)	(1,137,584)
Foreign exchange gain / (loss)		(1,552)	(4,913)
Impairment of investment		(283,075)	-
Loss on sale of plant and equipment		<u>(26,748)</u>	<u>(19,188)</u>
Expenses		<u>(12,058,274)</u>	<u>(12,759,768)</u>
(Loss) / Profit before income tax		<u>(2,745,184)</u>	<u>(1,399,106)</u>
Income tax benefit	6(a)	3,270,697	38,997
Profit / (Loss) after income tax		<u>525,513</u>	<u>(1,360,109)</u>
Discontinued Operations			
Profit after income tax from discontinued operations		-	-
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income		<u>525,513</u>	<u>(1,360,109)</u>
Earnings per share			
Basic and Diluted Earnings per share for the year attributable to the members of WestStar Industrial Limited (cents per share)	12	0.41	(1.16)

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2025 \$	30 June 2025 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	10,440,210	7,162,696
Trade and other receivables		24,001,141	12,280,469
Inventories		843,780	829,927
Financial assets	14	391,874	392,199
Contract assets		24,792,715	18,478,944
Total Current Assets		60,469,720	39,144,235
Non-Current Assets			
Financial assets	14	281,801	463,529
Investments		-	283,075
Property, plant & equipment		6,489,457	4,965,185
Right of Use Asset		3,950,845	4,713,976
Deferred tax asset	6(d)	774,661	-
Intangible Assets		5,480,886	5,581,517
Total Non-Current Assets		16,977,650	16,007,282
Total Assets		77,447,370	55,151,517
LIABILITIES			
Current Liabilities			
Trade and other payables		25,520,129	13,677,196
Income tax payable	6(c)	-	2,634,837
Provisions		2,892,013	2,880,214
Borrowings		1,426,046	-
Lease liabilities		2,076,983	1,775,152
Contract liabilities		12,570,437	997,103
Total Current Liabilities		44,485,608	21,964,502
Non-Current Liabilities			
Deferred tax liability, net	7(d)	-	481,123
Provisions		374,080	360,315
Lease liabilities		4,133,505	4,519,320
Total Non-Current Liabilities		4,507,585	5,360,759
Total Liabilities		48,993,193	27,325,261
Net Assets		28,454,177	27,826,256
EQUITY			
Issued capital	9(a)	26,535,791	26,535,791
Reserves	10	221,884	119,476
Retained profits		1,696,502	1,170,989
Total Equity		28,454,177	27,826,256

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	31 December 2025 \$	31 December 2024 \$
Cash flows from operating activities			
Receipts from customers		78,333,661	91,196,603
Payments to suppliers and employees		(74,043,433)	(95,416,205)
Income taxes paid		(619,924)	-
Interest received		155,496	200,061
Interest paid		(321,231)	(234,066)
Other income		263,713	276,128
Net cash flows provided by / (used in) operating activities	7	3,768,282	(3,977,479)
Cash flows from investing activities			
Payment for financial assets		-	(21,095)
Proceeds from return of financial assets		159,362	2,218,119
Purchase of property, plant & equipment		(663,130)	(242,744)
Proceeds from disposal of property, plant & equipment		13,000	70,000
Net cash flows (used in) / provided by investing activities		(490,768)	2,024,280
Cash flows from financing activities			
Repayment from Unrelated parties as part of the Watmar acquisition		-	85,000
Net cash provided by financing activities		-	85,000
Net increase / (decrease) in cash and cash equivalents		3,277,514	(1,868,199)
Cash and cash equivalents at the beginning of the period		7,162,696	13,678,160
Cash and cash equivalents at the end of the period	7	10,440,210	11,809,961

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	Issued capital \$	Retained earnings/ (Accumulated losses) \$	Share based payment reserve \$	Total \$
At 1 July 2025		26,535,791	1,170,989	119,476	27,826,256
Profit for the half-year		-	525,513	-	525,513
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	525,513	-	525,513
Transactions with owners in their capacity as owners					
Recognition of share-based payments	11	-	-	102,408	102,408
Transactions with owners in their capacity as owners		-	-	102,408	102,408
Balance at 31 December 2025		26,535,791	1,696,502	221,884	28,454,177
	Note	Issued capital \$	Retained earnings \$	Share based payment reserve \$	Total \$
At 1 July 2024		25,435,791	4,360,440	187,916	29,984,147
Loss for the half-year		-	(1,360,109)	-	(1,360,109)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	(1,360,109)	-	(1,360,109)
Transactions with owners in their capacity as owners					
Recognition of share-based payments	11	1,100,000	-	37,584	1,137,584
Transactions with owners in their capacity as owners		1,100,000	-	37,584	1,137,584
Balance at 31 December 2024		26,535,791	3,000,331	225,500	29,761,622

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

1. Corporate

The financial report of WestStar Industrial Limited ("the Company") and its controlled entities ("the Group" or "Consolidated Entity") for the half-year ended 31 December 2025 was authorised for issue in accordance with a resolution of the directors on 27 February 2026.

WestStar Industrial Limited is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Basis of Preparation and Accounting Policies

(i) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and in compliance with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost except for, where applicable, the revaluation of certain classes of plant and equipment and available-for-sale investments which are measured at fair value. The presentation currency is Australian dollars. Except for the cash flow statement, the financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the measurement at FV of selected non-current assets, financial assets and financial liabilities.

(ii) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group posted a net profit after tax for the half-year ended 31 December 2025 of \$525,513 (31 December 2024: loss of \$1,360,109) and net operating cash inflows of \$3,768,282 (31 December 2024: outflows \$3,977,479). The Group reported total net cash inflows of \$3,277,514 (31 December 2024: outflows \$1,869,199). The Group had cash of \$10,440,210 (30 June 2025: \$7,162,696) and a working capital surplus of \$15,984,112 (30 June 2025: surplus of \$17,179,733). The directors believe the going concern basis of preparation is appropriate based on the current working capital status, forecast order book of work, the recovery of its debtors and contract assets post year and the cash flow forecasts prepared.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern. The directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate.

(iii) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

WestStar Industrial Limited (the 'head entity') and its wholly owned subsidiaries currently account for their own current and deferred tax amounts. The Company has formed a tax consolidated group which incorporates all entities in the Group. The tax disclosures in this report are prepared on a consolidated basis.

(iv) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of WestStar Industrial Limited.

(v) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using an appropriate option pricing model that considers the terms and conditions upon which the instruments were granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of WestStar Industrial Limited ('market conditions'). The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share.

(vi) Critical accounting estimates and judgements

Revenue from Contracts with Customers

Construction contracts are assessed to identify the performance obligations contained in the contract. The total transaction price is allocated to each individual performance obligation. Work is performed on assets that are controlled by the customer or on assets that have no alternative use to the Company, with the Company having right to payment for performance to date. Therefore, in accordance with AASB15, the revenue is recognised over time. As performance obligations are satisfied over time, revenue is recognised over time using an input method being resources consumed, labour hours expended, material costs incurred, time elapsed relative to the total expected inputs to the satisfaction of that performance obligation. Variable consideration if the consideration in the contract includes a variable amount, the Company estimates the amount of the consideration to which it is entitled in exchange for transferring the goods and services to the customer. The Company includes some or all of this variable consideration in the transaction price only to the extent it is highly probable that a significant reversal of the cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Variable consideration comprises performance bonuses and penalties, variations, claims and contract modifications. Where consideration in respect of a contract is variable, the "expected value" or "most likely amount" of revenue is only recognised to the extent that it is highly probable that it will not result in a significant reversal of revenue in future periods. For construction and maintenance contracts, revenue from variations and claims is recognised to the extent it is approved or enforceable under the contract. In making this assessment, the Group considers factors including nature of the claim, formal or informal acceptance by the customer of the validity of the claim, stage of negotiations or the historical outcome of similar claims to determine whether the enforceable and "highly probable" threshold has been met. Revenue in relation to modifications, such as a change in the scope of the contract, is brought to account when it is approved by the parties to the contract or the modification is enforceable and the amount becomes highly probable. Modifications may be recognised when client instruction has been received in line with customary business practice for the customer.

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The key estimate in the recognition of contract revenue is the Forecast Cost to Complete. Forecast costs to complete construction contracts are regularly updated and are based on costs expected to be incurred when the related activity is undertaken. Key assumptions regarding costs to complete contracts include estimation of labour costs, technical costs, impact of delays and productivity. Construction contracts may incur additional costs in excess of original cost estimates. Liability for such costs may rest with the customer if considered to be a change to the original scope of works. Any additional contractual obligations, including liquidated damages, are also assessed to the extent these are due and payable under the contract. When it is considered probable that total contract costs will exceed total contract revenue, the contract is considered onerous and the present obligation under the contract is recognised immediately as a provision.

Impairment assessment of goodwill and other intangibles

The key judgements in goodwill impairment include estimation of the forecast cash flows, discount rates, growth rates and the estimation of the terminal value

Management is required to make significant judgements concerning future cash flows, including changes in competitive positions, expectations of growth cost of capital and the determination of fair values when assessing the recoverable amounts of assets (or groups of assets). Inputs into these valuations require assumptions and estimates to be made about forecast earnings before interest and tax and related future cash flows, growth rates, applicable discount rates, useful lives and residual values.

The judgements, estimates and assumptions used in assessing impairment are management's best estimates based on current and forecast market conditions. Changes in economic and operating conditions impacting these assumptions could result in changes in the recognitions of impairment changes in future periods.

Additionally, management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made:

- trade and other receivables, and
- recovery of deferred taxes, refer note 2 (iii).

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances in the period.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(vii) New, Revised or Amended Standards or Interpretations Adopted

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2025. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

(viii) New Accounting Standards and Interpretations Issued Not Yet Effective

The Directors have reviewed all Standards and Interpretations on issue but not yet adopted for the half-year ended 31 December 2025. As a result of this review the Directors have determined that there is no material impact, of the Standards and Interpretations on issue but not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

3. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors and have determined that there is three relevant business segments being:

- SIMPEC Pty Ltd is a construction contractor with specialist experience in both Structural Mechanical and Piping and Electrical and Instrumentation works;
- Alltype Engineering Pty Ltd provides workshop, site installation, construction and maintenance services to the oil and gas, water, power generation, infrastructure, mining, resources, utility, petrochemical and defence industries.
- Watmar Engineering Pty Ltd is a fluid systems engineering specialist providing services to the Defence and Marine sectors.

Segment reporting	SIMPEC \$	Alltype \$	Watmar \$	Group \$
Half - Year ended 31 December 2025				
Segment operational revenue	57,787,061	16,176,660	1,956,409	75,920,130
Segment operational expense	(52,508,052)	(12,919,458)	(1,576,049)	(67,003,559)
Segment gross margin	5,279,009	3,257,202	380,360	8,916,571
Segment overheads	(4,080,985)	(5,352,858)	(829,681)	(10,263,524)
Segment operating profit / (loss)	1,198,024	(2,095,656)	(449,321)	(1,346,953)
Other Income - operational	57,648	291,301	46,570	395,519
Net operating Profit / (Loss) before tax & Corporate Administration expenses	1,255,672	(1,804,355)	(402,751)	(951,434)
Other income				1,000
Corporate & administration ¹				(1,794,750)
Net operating Profit / (Loss) before Tax				(2,745,184)
Income tax benefit / (expense)				3,270,697
Net operating Profit / (Loss) after Tax				525,513
¹ Includes non-cash Share Based Payments expense of \$102,408				
Half-Year ended 31 December 2024				
Segment operational revenue	18,328,556	56,184,310	2,868,329	77,381,195
Segment operational expense	(16,182,129)	(48,288,091)	(2,068,787)	(66,539,007)
Segment gross margin	2,146,427	7,896,219	799,542	10,842,188
Segment overheads	(3,778,198)	(4,653,614)	(999,087)	(9,430,899)
Segment operating profit / (loss)	(1,631,771)	3,242,605	(199,545)	1,411,289
Other Income - operational	188,240	315,074	14,743	518,057
Net operating Profit / (Loss) before tax & Corporate Administration expenses	(1,443,531)	3,557,679	(184,802)	1,929,346
Other income				417
Corporate & administration ¹				(3,328,869)
Net operating Profit / (Loss) before Tax				(1,399,106)
Income tax benefit / (expense)				38,997
Net operating Profit / (Loss) after Tax				(1,360,109)
¹ Includes non-cash Share Based Payments expense of \$1,137,584				
Half-Year ended 31 December 2025				
Segment assets	41,053,708	30,212,908	3,884,087	75,150,703
Segment liabilities	(30,653,871)	(11,767,831)	(1,663,294)	(44,084,996)
Segment asset & liabilities	10,399,837	18,445,077	2,220,793	31,065,707
Cash and corporate assets				2,296,668
Corporate liabilities				(4,908,198)
Total asset & liabilities				28,454,177
Half-Year ended 31 December 2024				
Segment assets	19,448,105	38,611,255	4,949,355	63,008,715
Segment liabilities	(8,176,764)	(16,481,953)	(2,491,690)	(27,150,407)
Segment asset & liabilities	11,271,341	22,129,302	2,457,665	35,858,308
Cash and corporate assets				3,405,080
Corporate liabilities				(9,501,766)
Total asset & liabilities				29,761,622

The Group is domiciled in Australia. All revenue from external customers is generated from Australia only.

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FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

4. Revenue and Other Income

	31 December 2025	31 December 2024
	\$	\$
(a) Revenue		
Construction and Engineering services recognised over time	75,589,292	75,994,829
Sale of goods recognised at a point in time	330,838	1,386,366
	<u>75,920,130</u>	<u>77,381,195</u>

Disaggregated revenue information per AASB 15 as follows: Timing of revenue recognition

Construction and Engineering services recognised over time	75,589,292	75,994,829
Sale of goods recognised at a point in time	330,838	1,386,366
	<u>75,920,130</u>	<u>77,381,195</u>

(b) Other Income

Interest Income	132,806	242,347
Scrap metal sales	31,864	27,077
Insurance recoveries	8,183	80,830
Other Income	223,666	168,220
	<u>396,519</u>	<u>518,474</u>

5. Expenses

	31 December 2025	31 December 2024
	\$	\$
(a) Administrative expenses		
- Employee wages and salaries	7,140,304	6,586,775
- Professional services and consultant fees	1,108,969	1,413,146
- Insurance	262,483	509,289
- Motor vehicle costs	53,139	52,502
- ASX and Share registry fees	21,030	27,428
- General administrative costs	1,101,326	1,097,336
	<u>9,687,251</u>	<u>9,686,476</u>
(b) Finance costs		
- Interest and associated costs to unrelated third parties	314,923	549,853
	<u>314,923</u>	<u>549,853</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

6. Income Tax

	31 December 2025 \$	31 December 2024 \$
(a) Income tax expense		
Major component of tax (benefit) / expense for the year		
Current tax	(2,014,911)	-
Deferred tax	(1,255,786)	(38,997)
	<u>(3,270,697)</u>	<u>(38,997)</u>

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

Profit / (Loss) from continuing operations before income tax expense	(2,745,185)	(1,399,106)
Tax at the Group rate of 30% (31 December 2024: 30%)	(823,556)	(419,732)
Other non-deductible expenses	76,051	376,001
Research & Development benefit recognised	(2,800,778)	-
Temporary difference from prior years	277,586	-
Temporary difference movement variance	-	4,734
Income tax (benefit) / expense	<u>(3,270,697)</u>	<u>(38,997)</u>

	31 December 2025 \$	30 June 2025 \$
(c) Income tax liability		
Current tax payable	-	2,634,837

(d) Deferred tax

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

<i>Liabilities:</i>		
Plant and Equipment	206,702	361,646
Accrued income	1,522,837	2,158,580
Other non-depreciable assets	1,185,254	1,414,193
Prepayments	30,407	4,784
Intangibles	291,831	322,020
Deferred tax liability	<u>3,237,031</u>	<u>4,261,223</u>
<i>Assets:</i>		
Group losses - revenue	13,155	974,489
Non-refundable carry forward tax offsets	1,227,957	-
Provisions & accruals	1,354,592	1,183,724
Provision for doubtful debts	141,570	141,570
Borrowing costs	5,252	6,992
Lease Asset	1,269,166	1,473,325
Deferred tax asset	<u>4,011,692</u>	<u>3,780,100</u>
Net deferred tax asset / (liability) recognised	<u>774,661</u>	<u>(481,123)</u>
Net deferred tax asset / (liability) not recognised	<u>-</u>	<u>-</u>

The benefit for tax losses will only be obtained if:

- (i) the Group derives future assessable income in Australia of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the Group continues to comply with conditions for deductibility imposed by tax legislation in Australia; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

7. Cash and Cash equivalents

	31 December 2025 \$	30 June 2025 \$
Cash at bank and on hand	<u>10,440,210</u>	<u>7,162,696</u>
	31 December 2025 \$	31 December 2024 \$
Reconciliation of profit / (loss) after income tax to net cash inflow/(outflow) from operating activities		
Profit / (Loss) after income tax	525,513	(1,360,109)
Non-Cash Items		
Depreciation and amortisation expenses	1,433,863	1,274,252
Share-based payments	102,408	1,137,584
(Reversal) of Expected credit loss	-	(103,099)
Impairment of investment	283,075	-
Loss / (Profit) on sale of plant and equipment	26,748	19,188
<i>(Decrease) / increase in working capital</i>		
(Increase) / decrease in receivables	(4,614,218)	7,585,382
(Increase) / decrease in contract assets	(6,313,772)	(946,594)
(Increase) / decrease in deferred tax asset	(774,661)	(38,997)
Increase / (decrease) in payables	4,616,390	(10,790,337)
Increase / (decrease) in income tax payable	(2,634,837)	-
Increase / (decrease) in contract liabilities	11,573,334	(767,032)
Increase / (decrease) in deferred tax liability	(481,123)	-
Increase / (decrease) in provisions	25,563	12,283
Net cash inflow/(outflow) from operating activities	<u>3,768,282</u>	<u>(3,977,479)</u>

8. Related Party Transactions and Key Management Personnel

(a) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel of the Group for the half-year ended 31 December 2025 are as follows:

Mr Philip Re	Non-Executive Chairman
Mr Lay Ann Ong	Non-Executive Director
Mr Robert Spadanuda	Group CEO / Managing Director
Mr Mark Dimasi	Managing Director (SIMPEC Pty Ltd)
Mr Kelvin Andrijich	Managing Director (Alltype Engineering Pty Ltd)
Mr Shannon Keane	Operations Manager (Watmar Engineering Pty Ltd)
Mr Chris Manea	Director (Watmar Engineering Pty Ltd)
 Mr Stephen Harris	 General Manager (Watmar Engineering Pty Ltd) – resigned on 6 October 2025.

On 26 November 2024 shareholders approved the grant of up to 9,000,000 Performance Rights to Directors (or their nominees) under the WestStar Performance Rights Plan and 11,000,000 shares to Mr Robert Spadanuda (7,000,000 shares) and Mr Mark Dimasi (4,000,000 shares). The shares were valued at \$0.10 per share being the trading price of the shares on 26 November 2024 being the date of the Annual General Meeting. The securities were issued on 24 December 2024.

9. Issued Capital

(a) Issued and paid up capital

	31 December 2025 \$	30 June 2025 \$
Ordinary shares fully paid	<u>26,535,791</u>	<u>26,535,791</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

9. Issued Capital (cont...)

(b) Movements in shares on issue

	Half-Year to 31 December 2025	
	No.	\$
<i>Movements in ordinary shares on issue</i>		
Opening balance	128,765,239	26,535,791
Details of the Company shares issued during the period:		
Shares issued	-	-
Closing balance	<u>128,765,239</u>	<u>26,535,791</u>

	Year to 30 June 2025	
	No.	\$
<i>Movements in ordinary shares on issue</i>		
Opening balance	117,765,239	25,435,791
Details of the Company shares issued during the period:		
Shares issued (i)	<u>11,000,000</u>	<u>1,100,000</u>
Closing balance	<u>128,765,239</u>	<u>26,535,791</u>

(i) 11M ordinary shares at an issue price of \$0.10 per share were approved by shareholders on 26 November 2024 and issued to Directors and Executives of the Group on 24 December 2024

(c) Performance shares

Movements in performance rights on issue

	Half-Year to
	31 December 2025
	No.
<i>Movements in performance rights on issue</i>	
Opening balance	9,000,000
Issued during the half-year	-
Closing balance	<u>9,000,000</u>

Total Performance Rights issued by Tranche by recipient:

Details	Tranche 1	Tranche 2	Tranche 3	Total
Philip Re	1,250,000	1,250,000	1,000,000	3,500,000
Robert Spadanuda	1,250,000	1,250,000	1,000,000	3,500,000
Lay Ann Ong	750,000	750,000	500,000	2,000,000
Total	3,250,000	3,250,000	2,500,000	9,000,000

The principal terms of the Performance Rights are summarised below:

Class	Performance Condition	Expiry Date
Tranche 1 Performance Rights	Market Capitalisation - \$17.5M: Tranche 1 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$17.5 million for a period of twenty (20) trading days. The Director/Employee must be a Director/Employee of the Group at the time the performance condition is met. (" Tranche 1 Performance Condition ")	24 December 2027
Tranche 2 Performance Rights	Market Capitalisation - \$19.5M: Tranche 2 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$19.5 million for a period of twenty (20) trading days. The Director/Employee must be a Director/Employee of the Group at the time the performance condition is met. (" Tranche 2 Performance Condition ")	24 December 2027
Tranche 3 Performance Rights	Market Capitalisation - \$22M: Tranche 3 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$22 million for a period of twenty (20) trading days. The Director/Employee must be a Director/Employee of the Group at the time the performance condition is met. (" Tranche 3 Performance Condition ")	24 December 2027

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FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

9. Issued Capital (cont...)

	Year to 30 June 2025
	No.
<i>Movements in performance rights on issue</i>	
Opening balance	1,500,000
Expired during the year	(1,500,000)
Issued during the year	9,000,000
Closing balance	<u>9,000,000</u>

- (i) On 26 November 2024 shareholders approved the grant of up to 9,000,000 Performance Rights to Directors (or their nominees) under the WestStar Performance Rights Plan. The securities were issued on 24 December 2024.

The value of the Performance Rights at grant date was estimated using a Trinomial Model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. The fair value ascribed to each Tranche 1, 2 and 3 Performance Right on a post-consolidation basis was \$0.15, \$0.17 and \$0.19 respectively.

The table below shows the class, number and fair value ascribed to Performance Rights on issue (on a post-consolidation basis) at 31 December 2025. The following assumptions were used in the valuation of these performance rights.

Details	Tranche 1	Tranche 2	Tranche 3
Number of Rights	3,250,000	3,250,000	2,500,000
Fair value on Grant Date	\$0.074	\$0.0676	\$0.0617
Share Price	\$0.10	\$0.10	\$0.10
Volatility	57.0%	57.0%	57.0%
Risk Free Rate	3.91%	3.91%	3.91%

The total value of Performance Rights expensed during the half-year ended 31 December 2025 was \$102,408 (30 June 2025: \$157,060).

Each Performance Right converts into 1 fully paid ordinary share upon vesting.

10. Reserves

The share-based payment reserve is used to record the value of share-based payments provided to directors and employees, including Key Management Personnel and suppliers which are not recorded directly in equity.

	31 December 2025	30 June 2025
	\$	\$
Share based payments reserve	<u>221,884</u>	<u>119,476</u>
	221,884	119,476

Movement in reserves

Share based payments reserve

Opening balance	119,476	187,916
Transfer of expired performance rights value (i)	-	(225,500)
Performance Rights expensed (Refer Note 9 (c))	<u>102,408</u>	<u>157,060</u>
	221,884	119,476

- (i) During the year ended 30 June 2025, 1,500,000 performance rights expired. The value recognised for these performance rights was transferred to retained earnings (\$225,500).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

11. Share Based Payments

During the year, the following share-based payments were made and recognised in equity and the share-based payments reserve.

	31 December 2025 \$	30 June 2025 \$
Performance rights recognised (Refer Note 9 (c))	102,408	157,060
Shares issued (i)	-	1,100,000
	102,408	1,257,060

(i) 11M ordinary shares at an issue price of \$0.10 per share were approved by shareholders on 26 November 2024 and issued to directors and executives of the Group on 24 December 2024.

12. Reconciliation of Earnings / (Loss) Used in Calculating Earnings / (Loss) Per Share

	31 December 2025 \$	31 December 2024 \$
Earnings attributable to owners of the Company	525,513	(1,360,109)
	Number of Shares	Number of Shares
Weighted average number of ordinary shares for the purposes of basic and diluted Earnings / (loss) per share	128,765,329	118,243,590

13. Contingent Liabilities & Commitments

During the half-year ended 31 December 2025 the Group entered into \$9.242M, and had returned \$0.483M respectively, worth of bond facilities ("the Facilities") with Assetinsure as agent for Swiss Re International SE. As at 31 December 2025, the total value of bond facilities available to the Group under this facility amounted to \$13.0M (30 June 2025: \$3.05M), of which \$11.81M has been committed with an unused portion of \$1.19M.

In addition, as at 31 December 2025, the total value of bond facilities with Export Finance Australia available to the Group amounted to \$7.765M, of which \$1.735M has been committed with the balance of \$6.03M uncommitted.

14. Financial Assets

As at 31 December 2025, the Group has provided bank guarantees which are held in term deposits of \$673,675 (30 June 2025: \$855,728) to various customers and suppliers of which \$391,874 is in current assets (30 June 2025: \$392,199) and \$281,801 is in non-current assets (30 June 2025: \$463,529).

15. Events after Reporting Date

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Group and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 31 December 2025.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of WestStar Industrial Limited, I state that:

1. In the Directors' opinion, the financial statements and accompanying notes set out on pages 12 to 25 are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. give a true and correct view of the Group'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. The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Philip Re', written in a cursive style.

Philip Re
Non-Executive Chairman
Perth, Western Australia

27 February 2026

Independent Auditor's Review Report to the Members of WestStar Industrial Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying Condensed Consolidated Half-Year Financial Report of WestStar Industrial Limited ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of material accounting policies, other explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at half-year end from time to time during the half-year.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Condensed Consolidated Half-Year Financial Report of WestStar Industrial Limited is not 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 half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*;

Basis for Conclusion

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

We are independent of the Group in accordance with the 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the Group are responsible for the preparation of the Condensed Consolidated 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 Condensed Consolidated Half-Year Financial report that gives a true and fair view is free from material misstatement, whether due to fraud or error.

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

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

A review of a 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.

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD



MARCIA JOHNSON

DIRECTOR

Perth, Dated 27 February 2026

CORPORATE DIRECTORY

WESTSTAR INDUSTRIAL LIMITED

ABN 38 119 047 693

DIRECTORS

Mr Philip Re	Non-Executive Chairman
Mr Lay Ann Ong	Non-Executive Director
Mr Robert Spadanuda	Group CEO & Managing Director

AUDITOR

Armada Audit & Assurance Pty Ltd
18 Sangiorgio Court
Osborne Park WA 6017

COMPANY SECRETARY

Mr Stuart Third

ASX CODE

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