SCEE GROUP

Annual Report 2026

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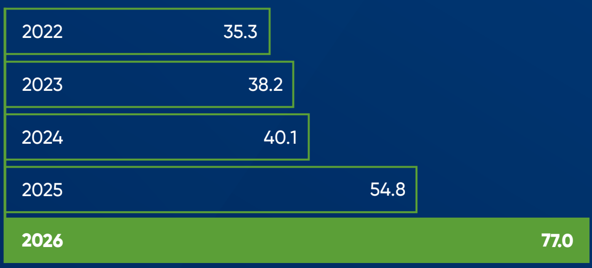
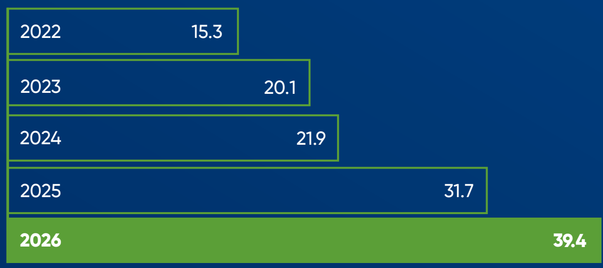
2026 Highlights

Record financial results and positioned for future growth

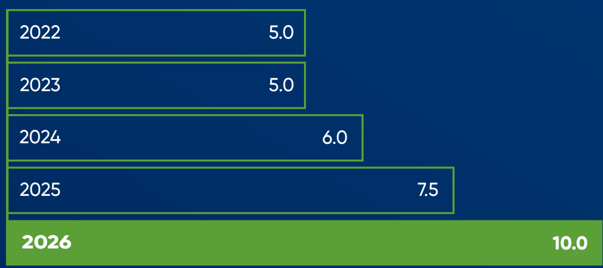


RECORD UNDERLYING EBITDA
$77.0m UP 40.5%



RECORD UNDERLYING NPAT
$39.4m UP 24.3%

RECORD YEAR END CASH
$261.5m UP 195.1%



RECORD FULLY FRANKED DIVIDENDS
10.0cps UP 33.3%

Lost time injury ("LTI") free across the group for the fourth consecutive year

Record order book of $810m diversified across sectors, geography and discipline

Collie BESS project successfully completed and battery prospects presenting

Data centre pipeline at unprecedented levels with sector in exponential growth phase

Multi-disciplinary offerings a growing feature of group activity

Force Fire exceeded budget in first full year post acquisition

Acquisition targets being actively explored offering geographic and disciplinary diversification

Capital raising and additional financing facilities to support significant growth opportunities

FY27 EBITDA guidance of at least $100m and expecting further growth beyond

Chairman's Report

It gives me great pleasure to report on another year of record profitability and increased shareholder returns.

Underlying EBITDA[1] of $77.0m was up 40.5%, Underlying EBIT[1] of $64.4m was up 40.3%, and Underlying NPAT[1] of $39.4m was up 24.3% on the prior year record results. This was despite a 10.3% decrease in revenue from the prior year record result to $718.7m due to the Synergy Collie Battery Energy Storage System project and the Western Sydney International Airport Terminal project being successfully completed during the first half of the year.

The Board is committed to delivering strong returns to our shareholders. We have declared a record fully franked final dividend of 7.5 cents per share, to be paid on 7 October 2026, having already paid a fully franked interim dividend of 2.5 cents per share in April 2025. Total dividends declared for FY26 of 10.0 cents per share are a record and up 33% on the prior year.

During the year our share price increased by 166% from $1.83 to $4.86. Over the same period our market capitalisation increased from $483m to $1,475m. I am pleased to note that SCEE will be entering the MSCI Australia Small Cap Index at the end of August 2026, and we anticipate entry into the ASX300 Index in the September 2026 rebalancing.

The group is positioned for significant short, medium and long-term growth through exposure to structural tailwinds of data centres, infrastructure, energy, and electrification. These tailwinds are forecast to have considerable longevity driven by AI development, general Australian population growth, and the drive to net zero.

Further acquisitions remain a key part of our growth strategy, and we are actively exploring a range of acquisitions offering geographic and disciplinary diversification.

In June the Board undertook an institutional placement to raise $150m before costs with a further $15m raised in July from a Share Purchase Plan for our retail holders. Pleasingly we were able to raise these funds at only a 0.5% discount to the last traded price prior to the raise.

We also significantly enhanced our financing facilities with bank guarantee and surety bond capacity increasing and the addition of new Revolving Credit and Acquisition Facilities.

These funding initiatives have provided the group with the financial flexibility to pursue the significant organic and acquisitive growth opportunities ahead.

The Board has provided FY27 EBITDA guidance of at least $100m, an increase of circa 30% from FY26 Underlying EBITDA[1], and expects further growth beyond this.

On behalf of the Board, I would like to thank our employees for their contribution to this year's record result and our shareholders and stakeholders for their continued support.

Karl Paganin
Chairman

1. A reconciliation to underlying results is provided in the Managing Director's Review on page 14

About SCEE Group

Southern Cross Electrical Engineering Limited ("SCEE Group") was founded in 1978 and listed in 2007 (ASX:SXE).

Over time we have grown to be a leading and trusted national provider and manufacturer of specialised electrical, instrumentation, communications, security, fire, and maintenance services and products, and are diversified across multiple market sectors.

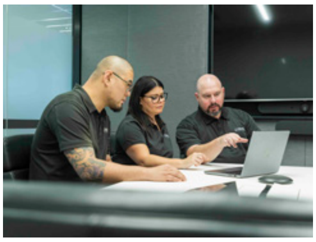
We are diversified geographically with 85% of our order book on the East Coast and by discipline with 60% of FY26 revenues from electrical services and 40% in other adjacent disciplines.

Our diversification is supported by a successful track record of acquiring value accretive businesses: Datatel in 2016, Heyday in 2017, the Trivantage Group (S.J. Electric, SEME Solutions, and Trivantage Manufacturing) in 2020, the MDE Group in 2024 and Force Fire in 2025.

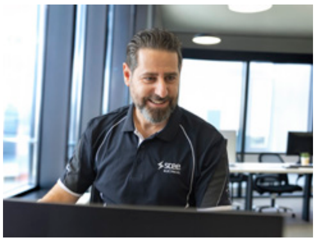
We are exposed to the tailwinds of data centres, infrastructure, electrification and energy.

Data Centres, Infrastructure, Electrification, Energy

Increasing multi-disciplinary offerings



Diversified markets and geographies



Financial strength and shareholder returns

Blue-chip client base with recurring revenues

Track record of successful acquisitions

Our Businesses

SCEE ELECTRICAL

Historically focused on resources and industrial work, but now also diversified into infrastructure and renewables.

www.sceeelectrical.com.au

Heyday Group

NSW and ACT-based electrical contractor servicing the commercial and fit-out sectors, and the retail, education, health, hotel, transport, datacentre, and residential sectors.

www.heyday5.com.au

SJ ELECTRIC

National provider of electrical and maintenance services to supermarkets, and the retail and commercial sectors.

www.sjelectric.com.au

SEME SOLUTIONS

Provides electronic security services to the resources, law enforcement, custodial, industrial, and health sectors.

www.seme.com.au

Our Businesses

TRIVANTAGE
MANUFACTURING

Manufacturer of premium quality switchboards and power distribution systems to internal and external customers.

www.trivantage.com.au

DATATEL
ELECTRICAL & COMMUNICATIONS

Telecoms and communications specialist providing services to the education, health, government, commercial, resources and transport sectors.

www.datatel.com.au

MDE
Communications • Electrical

Communications, data, and electrical services provider to commercial, data centre, healthcare and transport sectors.

www.mde.net.au

FORCEFIRE
DETECT ▸ SUPPRESS

Leading NSW and QLD-based provider of fire safety solutions to commercial, industrial, data centres, education, and retail sector.

www.forcefire.com.au

Multi-disciplinary offerings

The existing and planned further diversification of the group enables SCEE to provide clients with multi-disciplinary offerings and access a larger share of project spend.

The overlapping client bases of SCEE businesses lead to sharing of market insights, business development co-ordination, and deeper relationships.

By maximizing these synergies and cross-selling opportunities our combined services offerings provide a competitive advantage.

Evidenced in recent awards in battery, data centre, and infrastructure projects where two or more SCEE businesses are involved either through separate packages with clients or where one SCEE business subcontracts work to other group companies.

The multi-disciplinary offering provides value to clients beyond the "sum of its parts" as SCEE can internally manage interfaces between disciplines, de-risking potential schedule and costs issues on projects.

Data Centres

SCEE businesses have worked on data centres for over twenty years, and the sector is in unprecedented growth.

SCEE Group's breadth and depth of client base and services offerings is amongst the strongest in the Australian data centre market.

Australian data centre capacity is expected to double from current 1.6GW to 3.2GW by 2030 and potentially double again by 2035 (4.7GW-7.4GW).

SCEE businesses have multi-layered relationships in the sector with both data centre developers and tier one builders.

In FY26 SCEE businesses worked inside ten different data centres owned by six different hyperscale cloud providers providing variously electrical, communications, and fire services demonstrating our broad spread across the sector. Trivantage Manufacturing provided switchboards to two of those ten and then to a further four data centres.

We turned over $120m in data centre work in FY26 and are forecasting this to triple in FY27.

Anticipating data centre construction will shift to remote locations over time as power becomes constrained in Sydney and Melbourne. SCEE is well positioned to compete for these projects combining its data centre and remote location delivery experience.

Data centres will be increasingly required to provide their own power opening further opportunities for SCEE with its experience in performing wind, solar, battery, and gas-power projects.

Renewables and electrification

Australia's energy transition requires investment in renewables, grid reconfiguration, and the electrification of many activities by 2050.

SCEE participates in this thematic having constructed multiple solar farms, wind farms, and Battery Energy Storage Systems:

Successfully completed in H1 FY26 Synergy's 500MW/2,000MWh Collie BESS project which was over $250m of work for SCEE.

Works commenced on Steel River East BESS on Ausgrid's NSW network with multiple SCEE businesses contributing.

Tendering for multiple renewables developments across Australia and anticipating further battery awards this year.

SCEE offers services across a huge range of electrification initiatives including:

Decarbonising client operations – such as refrigeration power efficiencies for supermarkets, store metering roll-outs, electric vehicle charging systems, lighting upgrades, and solar powered electrical equipment.

Buildings – stricter building codes and client requirements will drive increased electrical density and complexity of buildings.

Infrastructure

Infrastructure is a very wide sector across government and private investment. Apart from data centres, renewables and energy, this sector for SCEE also includes transport (airports, rail, road, and ports), health and aged care, defence, education, agriculture, water, and utilities.

Strong infrastructure opportunities for SCEE include:

Western Sydney International Airport - Stand Alone Facilities Project underway. Expecting ongoing works and further airport expansion.

Aerotropolis/City of Bradfield - long-term pipeline with development of region which holds the bulk of Greater Sydney's new industrial-zoned land, particularly industrial warehousing construction for Force Fire and Heyday.

Health care in NSW and ACT - Shellharbour Hospital, Heyday's largest ever hospital award, is in construction. Positioning around further major hospital developments presenting in the medium-term.

Sydney Metro – working on St Marys Station on the airport line. High confidence of securing further projects on Sydney Metro West station developments.

ACT – government buildings and school expansion programs.

Sustainability

SCEE Group is dedicated to achieving sustainable and profitable growth while upholding our environmental, social, and community responsibilities. Our approach to sustainability encompasses:

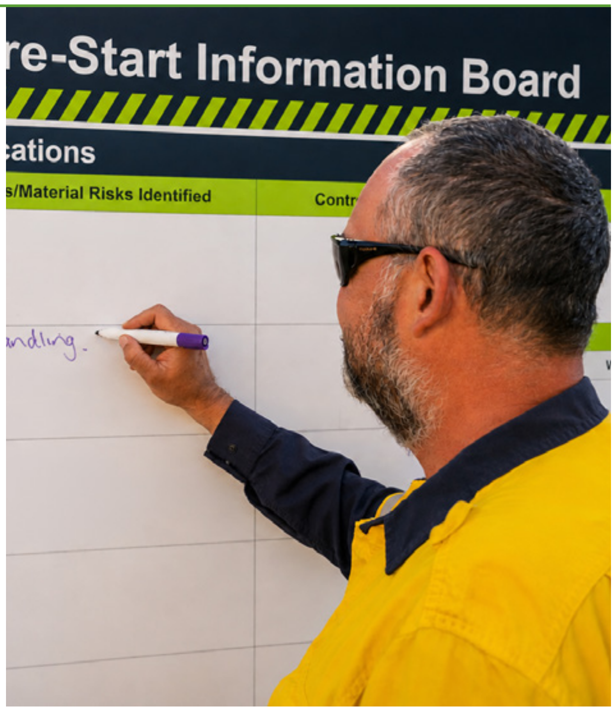
HEALTH AND SAFETY

We consider the wellbeing of our people to be of paramount importance and are committed to providing a workplace that achieves zero harm. Highlights include:

Board endorsed expectations for health and safety set the standards and principles that guide our businesses towards achieving the highest levels of safety performance at all levels of the organisation

Health and Safety Management Systems are accredited to ISO 45001

Lost time injury ("LTI") free across the group's operations for the fourth consecutive year



PEOPLE AND COMMUNITY

We are committed to providing a safe workplace for our people and investing in their growth. We engage with the communities in which we operate seeking to create a positive legacy through maximising local employment opportunities. Highlights include:

Dedicated Health and Wellbeing Advisor and access to an Employee Assistance Provider

Regular training and development opportunities

Diversity Policy encouraging and supporting diversity in our workforce

Indigenous Employment Policy facilitating sustainable employment opportunities

Human Rights Policy and Modern Slavery Statement

Sustainability

Our approach to sustainability encompasses:

ENVIRONMENT

We seek to promote best environmental practices within our areas of operation through our policies and procedures. Highlights include:

Environmental Management Systems accredited to ISO 14001

We continue to maintain a low GHG emissions base. Our FY26 operational emissions (Scope 1 and 2) totalled 4,768 tCO_2-e

Contributing to the decarbonisation of Australia through our delivery of renewables, recycling and energy efficiency projects

CORPORATE GOVERNANCE

The SCEE Group has a Board-endorsed Corporate Governance Framework aimed at ensuring the business is managed effectively and ethically and that risks are appropriately identified, monitored and addressed. Highlights include:

Experienced and appropriately structured Board and Committees

Suite of corporate governance policies including anti-bribery and corruption and whistleblower

Commitment to ensuring effective shareholder communications

Managing Directors Review

I am pleased to report on another record-breaking year for the SCEE Group. We enter the 2027 financial year strongly positioned to deliver our expected growth.

Financial Results

Revenue for the year was $718.7m, down 10.3% on the prior year record revenue of $801.5m as the Collie Battery Energy Storage System ("CBESS") project in Western Australia and the Western Sydney International Airport Terminal project were successfully completed during the first half of the year. Activity ramped up again towards the end of the second half and June was a record monthly revenue for the group.

Notably over 40% of current year revenue came from the adjacent non-electrical disciplines of fire, manufacturing, security, and communications.

The Force Fire business, acquired in April 2025, was consolidated for the full year and has performed strongly, exceeding budget with the vendors achieving their maximum earn out targets for the year.

Revenue contribution by sector was as follows:

> Commercial – revenue for the period was $247.2m, up 62.1% from $152.5m in the prior year. Most of the increase came from Force Fire's industrial warehousing and commercial buildings projects. Other key contributors in the current period were ongoing works for Coles and Woolworths by SJ Electric and Heyday's various projects across NSW and ACT, including the Atlassian building.
>
> Infrastructure – revenue for the period was $360.0m, down 29.6% from $511.6m in the prior corresponding period due to the CBESS and Western Sydney International Airport Terminal projects completing in the first half. Significant ongoing revenue contributors include the NEXTDC SYD03 Artarmon and DigiCo SYD1 data centres, the Shoalhaven Hospital project and various additional works at the Western Sydney International Airport. Works have commenced at the recently awarded NEXTDC S4 data centre.
>
> Resources – revenue for the period was $111.5m, down 18.9% from $137.6m in the prior year. SCEE Electrical has various ongoing works for BHP, Rio Tinto and Sino Iron and SEME Solutions continues to provide mine-site and accommodation villages security upgrades.

Gross profit for the year of $136.7m was a record result and was up 29.1% on the prior year gross profit of $105.9m. The gross margin percentage for the year was 19.0% compared to the prior year at 13.2%. The increase in margin was driven by a successful outcome on the CBESS project, the contribution from Force Fire, and a generally more favourable project mix.

Overheads of $61.1m were up 15.7% on the prior year overheads of $52.8m, primarily because of the inclusion of Force Fire for the full current year.

Underlying EBITDA[1] for the year of $77.0m was up 40.5% and Underlying EBIT[1] of $64.4m was up 40.3% respectively on the prior year's record EBITDA[1] and EBIT[1] results.

Underlying EBIT[1] included $4.4m of amortisation relating to acquired intangibles compared to $2.7m in the prior year with the increase attributable to the acquisition of Force Fire late in FY25.

Underlying NPAT[2] for the year of $39.4m was up 24.3% on the prior year record NPAT of $31.7m and included $4.4m of expense for the remeasurement of share-based payments resulting from the 166% increase in the company's share price in FY26.

During the year, Heyday settled its arbitration proceedings against the CPB Dragados Samsung Joint Venture ("CDSJV") claiming for additional costs incurred in performing its works on the WestConnex M5 motorway tunnel project in Sydney that completed in 2020. The arbitrator disagreed with Heyday's claims and found in favour of CDSJV in his Partial Final Award issued on 28 November 2025. Heyday and CDSJV subsequently settled the matter, including for all claims, interest, and costs, with a cash payment to CDSJV of $25.3m. The contract asset of $19.5m held in respect of this project was written off as a result. Legal fees incurred by Heyday during the period in respect of this matter totalled $1.4m. The combined $46.1m of these WestConnex dispute costs resulted in statutory NPAT of $7.1m being down 77.6% on the prior year NPAT of $31.7m. These costs have been excluded from the Underlying EBITDA[1], Underlying EBIT[1] and Underlying NPAT[2] results for the current year.

The Board has declared a record fully franked final dividend of 7.5 cents per share to be paid on 7 October 2026. The interim dividend of 2.5 cents per share was paid on 22 April 2026. The total FY26 fully franked dividends of 10.0 cents per share represents a 33.3% increase on the prior year's record dividend.

The cash balance at 30 June 2026 was a record $261.5m, up from $88.6m in the prior year, due to strong EBITDA conversion to cash, working capital management and the successful institutional placement in June which raised net proceeds of $144.7m. A further $15m was raised post year end from a Share Purchase Plan to retail holders. Notable outflows in the period included the settlement of the WestConnex arbitration proceedings, a record dividend pay-out of $18.9m and deferred consideration payments of $4.7m in respect of the Force Fire and MDE acquisitions.

Our financing facilities were also renegotiated in June 2026 with bank guarantee and surety bond capacity increasing from $150m to $220m and the addition of a new Revolving Credit Facility of $50m to fund working capital requirements and a new $50m Acquisition Facility to fund future acquisitions. The group remained debt free at 30 June 2026.

The combination of the capital raising and additional financing facilities provide us with the financial flexibility to pursue the significant growth opportunities ahead.

Earnings Guidance

The Board has provided FY27 EBITDA guidance of at least $100m, up 30% on FY26 Underlying EBITDA[1], and expects further growth in future years.

Health, Safety and Environment

Delivering our work safely is our highest priority and we are extremely proud of our strong safety culture. We were Lost Time Injury ("LTI") free across the group's operations for the fourth consecutive year. This represented over 2.9 million manhours LTI-free in the year.

We continue to maintain a low GHG emissions base. In FY26 our operational emissions (Scope 1 and Scope 2) totalled 4,768 tCO_2-e.

Order Book and Market Outlook

The order book at 30 June 2026 was a record $810m, up 18% on the prior year. Infrastructure continues to comprise the largest component of the order book at 70%. Over 85% of the order book is now on the East Coast and circa 30% is in the adjacent non-electrical disciplines.

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

SCEE businesses have worked on data centres for over twenty years, and the sector is now in an unprecedented growth phase with Australian data centre capacity expected to double from current 1.6GW to 3.2GW by 2030 and potentially double again by 2035 (4.7GW-7.4GW).

SCEE Group's breadth and depth of client base and services offerings is amongst the strongest in the Australian data centre market. Our businesses have multi-layered relationships in the sector with both the data centre developers and the tier one builders.

In FY26 we worked inside ten different data centres owned by six different hyperscale cloud providers providing variously electrical, communications, and fire services, demonstrating SCEE's broad spread across the sector. Trivantage Manufacturing provided switchboards to two of those ten and then to four further data centres. Our FY26 data centre revenues were $120m and we are forecasting this to triple in FY27. We recently announced the initial award of

work at NEXTDC's S4 Data Centre at Horsley Park, NSW and are currently tendering multiple large-scale opportunities.

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

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

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

Australia's energy transition requires investment in renewables supported by battery storage and grid configuration. SCEE participates in this thematic having delivered multiple solar farms, wind farms and Battery Energy Storage Systems. In H1 FY26 we successfully completed Synergy's 500MW/2,000MWh CBESS project which was over $250m of work for SCEE. Our work on the project was recently recognised at the 2026 NECA WA Excellence Awards, winning the Industrial X-Large Project category.

During the year we were awarded the Steel River East BESS project on the Ausgrid network with work now underway and multiple SCEE businesses contributing. We are tendering for multiple renewables developments across Australia and anticipating further battery awards this year.

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

Strategy and Growth

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

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

We are actively exploring a range of actionable acquisition targets offering further geographic diversification, expansion of existing disciplines within the group, and adding new disciplines such as HV capability, powerlines and mechanical (HVAC).

The existing and planned further diversification of the group enables SCEE to provide clients with multi-disciplinary offerings and allows us to access a larger share of project spend. The overlapping client bases of SCEE businesses lead to sharing of market insights, business development co-ordination, and deeper relationships.

By maximizing these synergies and cross-selling opportunities our combined services offerings provide a competitive advantage. This is evidenced in recent awards in battery, data centre, and infrastructure projects where two or more SCEE businesses are involved either through separate packages with clients or where one SCEE business subcontracts work to other group companies.

As noted above we are forecasting at least 30% profit growth in FY27. This growth will be both organic and acquisitive and we intend to maximise each path.

We do not currently anticipate any material constraints on our ability to capture this growth. Our recent capital raising and expansion of our financing facilities leaves us well funded for working capital and executing acquisition transactions. We are an employer of choice in the industry and expect to be able to access pools of labour from other parts of the economy if and when required. Inflationary impacts on materials and labour cost is captured in pricing and not absorbed by SCEE.

Conclusion

The 2026 financial year has seen the group deliver record profitability and returns to shareholders while setting the platform on which we will deliver our significant forecast growth in FY27 and beyond.

We have a record order book and cash balance, an unprecedented pipeline of data centre opportunities and significant exposure to Australia's energy transition and infrastructure spend.

We remain committed to delivering further acquisitions and maximising the benefits of our diversified multi-disciplinary offering.

I would like to take this opportunity to thank our employees across the SCEE Group for their contribution throughout the year and I thank our clients and shareholders for their continued support.

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

	30 June 2026 $'000	30 June 2025 $'000
Underlying EBITDA	77,046	54,837
Depreciation and amortisation	(12,648)	(8,947)
Underlying EBIT	64,398	45,890
WestConnex dispute costs	(46,123)	-
Net finance expense	(6,991)	(259)
Income tax expense	(4,219)	(13,961)
Profit after income tax	7,065	31,670

2. Underlying NPAT in the current year represents profit after income tax adjusted to exclude the tax effected $32.3m impact of the WestConnex dispute costs.

Director's report

Your Directors submit their report for Southern Cross Electrical Engineering Limited ("SCEE Group" or "the Company") for the year ended 30 June 2026.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Karl Paganin

INDEPENDENT CHAIRMAN AND NON-EXECUTIVE DIRECTOR

(Appointed Director 4 June 2015 and Chairman 31 October 2023)

Karl has over 25 years of senior executive experience in investment banking, specialising in transaction structuring, equity capital markets, mergers and acquisitions, and providing strategic management advice to listed public companies. Prior to that, Karl was Director of Major Projects and Senior Legal Counsel for Heytesbury Pty Ltd (the private company of the Holmes à Court family) which was the proprietor of John Holland Group Pty Ltd.

Karl is Chairman of the Board and of the Nomination and Remuneration Committee.

Karl is also the Non-Executive Chairman of ASX listed Veris Limited (appointed as Director in October 2015 and Chairman in November 2019).

Graeme Dunn

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

(Appointed 18 January 2016)

Graeme has over 35 years international experience in heavy civil infrastructure, mining, oil & gas and building projects. Graeme's strong technical knowledge, coupled with his extensive executive management experience, has seen him hold senior management positions throughout Australasia and the Middle East.

Graeme has a Bachelor of Civil Engineering from the University of Sydney, an MBA from the University of Southern Queensland and has completed the Senior Executive Program from the London School of Business. He is also a graduate of the Australian Institute of Company Directors.

Simon Buchhorn

INDEPENDENT NON-EXECUTIVE DIRECTOR

(Appointed 6 May 2015)

Simon has a comprehensive understanding of SCEE Group's operations having been employed by the Company for over 30 years prior to retiring in 2014.

During this time he worked in a number of key positions across the business including over 6 years as Chief Operating Officer and a period as interim Chief Executive Officer. He was also the General Manager of SCEE Group's LNG focused joint venture KSJV.

Simon brings to the Board significant experience in electrical contracting and operational performance both domestically and internationally. He is also a graduate of the Australian Institute of Company Directors.

Simon is a member of the Audit and Risk Management Committee.

Paul Chisholm

INDEPENDENT NON-EXECUTIVE DIRECTOR

(Appointed 16 December 2020)

Paul has over 40 years of experience in the electrical industry. Paul was a significant shareholder and Chairman of Trivantage Holdings Pty Ltd prior to the acquisition by SCEE Group in December 2020. He was the founder of SCADA Group Pty Ltd which was a global company servicing the energy, mining, utility and defence sectors with automation and control products and services solutions. Paul has also been the Chairman of a number of private companies and is an advisor for private equity funds.

Paul is a member of the Audit and Risk Management Committee and of the Nomination and Remuneration Committee.

Michael McNulty

INDEPENDENT NON-EXECUTIVE DIRECTOR

(Appointed 1 September 2024)

Michael is a Fellow of Chartered Accountants Australia and New Zealand ("CAANZ") and a Graduate Member of the Australian Institute of Company Directors ("AICD").

Michael's professional experience spans over 35 years and for the last 22 years he was a partner at Deloitte serving for over a decade as the Managing Partner of Deloitte's Perth office. Michael's consulting experience is across a broad range of industries specialising in large-scale organisational transformation and business process improvement both in Australia and internationally. Michael has extensive Board experience attained through serving on the Deloitte Australia Board for nine years, the Deloitte Foundation Board for ten years, and many years serving on Not-For-Profit Boards.

Michael is the Chairman of the Audit and Risk Committee.

Michael is also a Non-Executive Director of ASX Listed Orthocell Limited (appointed September 2025).

Louise Daw

INDEPENDENT NON-EXECUTIVE DIRECTOR

(Appointed 1 September 2025)

Louise is a Graduate Member of the Australian Institute of Company Directors ("AICD") and holds a Bachelor of Commerce in IT and E-Commerce.

Louise has a background in technology, governance and strategic transformation. Her professional career includes leadership roles in software development, data analysis, sustainability and innovation.

Louise currently holds the position of Sustainability Director at Hexagon AB, where she is responsible for overseeing Environmental, Social and Governance (ESG) strategy within the Autonomous Solutions Division.

Lousie was appointed as a member of the Nomination and Remuneration Committee on 27 July 2026.

Executive Officers

The names and details of the Company's Executive Officers during the financial year and until the date of this report are as follows. Executive Officers were in office for this entire period unless otherwise stated.

Chris Douglass

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Prior to joining SCEE Group in 2011 Chris was the Chief Financial Officer at Pacific Energy Ltd and has previously held a number of senior finance roles with Clough Ltd.

Chris, a Chartered Accountant, commenced his finance career with Deloitte in London. Prior to his time with Deloitte, Chris qualified and practiced as a solicitor in London.

Colin Harper

COMPANY SECRETARY

Colin has over 20 years of experience in public company finance and governance and is a Chartered Accountant and member of the Governance Institute of Australia.

Prior to joining SCEE Group in 2012 Colin was the Chief Financial Officer and Company Secretary of an ASX listed oil & gas exploration company and previously worked for EY in both Australia and the UK.

Directors' interests

As at the date of this report, the relevant interests of the directors in the shares and rights or options over shares issued by the Company are as follows:

Director	Ordinary shares	Rights over ordinary shares	Options over ordinary shares
Karl Paganin	1,955,703	–	–
Graeme Dunn[1]	3,229,235	1,653,691	–
Simon Buchhorn	876,806	–	–
Paul Chisholm	2,773,460	–	–
Michael McNulty	36,282	–	–
Louise Daw	28,564	–	–

1. Included in the Performance Rights held by Graeme Dunn are 915,974 Performance Rights issued in the 2024 financial year which have been performance tested on finalising the 2026 results and it has been determined that 100% of these 2024 Performance Rights have vested.

Directors' meetings

The number of Directors' meetings and meetings of committees of Directors held and attended by each of the Directors of the Company during the financial year are:

	Board Meetings		Audit and Risk Management Committee Meetings		Nomination and Remuneration Committee Meetings	
Director	Held	Attended	Held	Attended	Held	Attended
Karl Paganin	19	19	–	–	2	2
Graeme Dunn	19	19	–	–	–	–
Simon Buchhorn	19	19	4	4	–	–
Paul Chisholm	19	19	4	4	2	2
Michael McNulty	19	17	4	4	–	–
Louise Daw	16	16	–	–	–	–

The number of meetings held represents the time the director held office and was a member of the committee during the year.

Principal Activities

The principal activities during the year of the entities within the consolidated group were the provision of electrical, instrumentation, communications, security, fire, and maintenance services and products to a diverse range of sectors across Australia.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company or consolidated group during this financial year.

Operating and Financial Review

A review of operations of the consolidated group during the financial year, the results of those operations and the likely developments in the operations are set out in the Managing Director's Review on page 14.

Operating results for the year were:	2026	2025
	$'000	$'000
Contract revenue	718,699	801,454
Profit after income tax	7,065	31,670

Dividends

	Cents per share	Total amount
		$'000
Declared and paid during the period (fully franked at 30%)		
Final franked dividend for 2025	5.0	13,281
Interim franked dividend for 2026	2.5	6,649
Declared after balance date and not recognised as a liability (fully franked at 30%)		
Final franked dividend for 2026	7.5	23,048

Significant Events after Balance Sheet Date

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

Likely Developments and Expected Results

Other than as referred to in this report, further information as to the likely developments in the operations of the consolidated entity would, in the opinion of the directors, be likely to result in unreasonable prejudice to the consolidated entity.

Governance and Risk Management

The Board is responsible for the corporate governance of SCEE Group and is accountable to shareholders for the overall strategic direction, governance, performance and risk oversight of the group. The Board operates under a formal Board Charter and has adopted corporate governance policies and committee charters designed to support effective management, ethical conduct, appropriate risk identification, monitoring and disclosure.

The Board has approved a Risk Management Framework which describes the governance, accountability, oversight and reporting arrangements through which the group manages risk and a Risk Appetite Statement which defines the level and types of risk the group is willing to assume in pursuing its strategic objectives.

The Audit and Risk Management Committee assists the Board by reviewing the effectiveness of the Risk Management Framework, the group's material risk exposures and management's response to these risks. The Managing Director is responsible for implementing the framework across the group and ensuring that material risks are appropriately identified, assessed, managed and reported to the Board and Audit and Risk Management Committee.

Governance and Risk Management (cont'd)

Risk management is embedded in strategy, business planning, budgeting, tendering, contracting, project delivery, capital allocation and acquisitions. Risk reporting is designed to provide the Board and Audit and Risk Management Committee with sufficient information to oversee whether material risks are being managed effectively and whether the group is operating within risk appetite.

The following are considered the risk exposures which are most material to the group's operating and financial performance, growth strategy and prospects at the present time.

Risk	Description and management response
Health, safety and employee welfare	The group undertakes work in environments where employees, subcontractors and other stakeholders may be exposed to safety hazards. A serious safety incident could result in injury, operational disruption, regulatory action, legal liability and reputational damage. The group manages this risk through safety management systems, project-level controls, training, leadership oversight, incident reporting and monitoring of safety performance.
Market conditions and growth pipeline	The group's future performance is influenced by the level, timing and mix of available work across its target markets. Market risks may arise from changes in economic conditions, geopolitical uncertainty, client investment decisions, delays in project approvals or contract awards, increased competition, or the group not securing anticipated opportunities. These risks may affect revenue, margins, growth expectations and the timing of future earnings. The group manages these risks through its diverse service offering across multiple sectors, market and pipeline monitoring, business development activity, tender discipline, strategic planning and regular management and Board review.
Tendering, contracting and commercial terms	The group is exposed to risks associated with estimating, pricing, contract negotiation and acceptance of commercial terms. Incorrect tender assumptions or unfavourable contractual positions could adversely affect project profitability, cash flow or risk allocation. The group manages this risk through delegated authority limits, tender review processes, contracting principles, contract review and commercial oversight.
Project and service delivery	The group's financial performance is dependent on the successful delivery of projects and services in accordance with agreed scope, cost, schedule, quality, contractual terms and client requirements. Delivery risks may arise from factors including project complexity, design changes, subcontractor performance, labour constraints and client delays. The group manages these risks through tender review processes, project management processes, contract administration, operational reporting and management oversight.
Acquisitions, integration and growth execution	The group's strategy includes expanding core competencies, broadening geographic diversity and adding adjacent and complementary capabilities and disciplines, either organically or by acquisition. There is a risk that growth initiatives, acquisitions or integration activities do not deliver expected financial, operational or strategic outcomes. The group manages this risk through due diligence, disciplined investment assessment, Board approval processes, integration planning and ongoing performance monitoring.

The group's risk profile is reviewed periodically and may change over time having regard to the group's strategy, operations, market conditions, regulatory requirements and external environment. The Board, through the Audit and Risk Management Committee, reviews the effectiveness of the group's risk management framework, internal compliance and control systems and related assurance activities.

Environmental Regulation

The operations of the Group are subject to the environmental regulations that apply to our clients. During 2026 the Group complied with the regulations.

Share Options and Performance Rights

At the date of this report there are no unissued ordinary shares of the Company under options.

During the reporting period 1,201,087 shares were issued from the exercise of performance rights previously granted as remuneration.

Further details are contained in note 27 to the financial statements.

Indemnification and Insurance of Directors and Officers

During or since the end of the financial year, the Company has paid premiums in respect of a contract insuring all the directors of the Company against a liability incurred in their role as directors of the Company, except where:

a) the liability arises out of conduct involving a wilful breach of duty; or

b) there has been a contravention of Sections 182 or 183 of the Corporations Act 2001.

The total amount of insurance contract premiums paid was $292,146 (2025: $301,260).

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

During the year KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out in Note 31 to the financial statements.

Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 92 and forms part of the Directors' report for the financial year ended 30 June 2025.

Remuneration Report

The Remuneration Report is set out on pages 27 to 34 and forms part of this report.

Rounding off

The Company is of a kind referred to in ASIC Instrument 2026/183 dated 1 April 2026 and in accordance with that Class Order amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors.

Karl Paganin
Chairman
18 August 2026

Remuneration report

This Remuneration Report outlines the Director and executive remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors is responsible for determining and reviewing remuneration arrangements for the directors and executives.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing Director and executive team.

Remuneration Structure

In accordance with best practice corporate governance, the structure of executive and non-executive remuneration is separate and distinct.

Executive Remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- attract, motivate and retain highly skilled executives;
- reward executives for Group, business and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders; and
- ensure remuneration is competitive by market standards.

Structure

The Company has entered into contracts of employment with the Managing Director and the executives. These contracts contain some or all of the following key elements:

- Fixed remuneration;
- Variable remuneration - Short term incentive ("STI"); and
- Variable remuneration - Long term incentive ("LTI").

The nature, amount and proportion of remuneration that is performance related for each executive is set out in Table 1.

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Fixed Remuneration

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without undue cost for the Group.

Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee. There are no guaranteed base pay increases for any executive. For the 2026 financial year, the Committee approved an increase to KMP remuneration commensurate with the growth in the size and scope of the Group's operations and their consequential responsibilities in recent years. Details of remuneration received in the 2026 financial year can be found in Table 1 of this report.

Variable Remuneration – Short Term Incentive ("STI")

The objective of the Group STI program is to link the achievement of the Group's short term operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Graeme Dunn and Chris Douglass are the only KMPs who participate in the Group STI program and in the 2026 financial year STI scheme could earn up to a maximum of 75% of their fixed remuneration, paid in cash. Actual STI payments granted to each executive depend on the extent to which specific targets as set at the beginning of the financial year are met. The targets consist of a number of Key Performance Indicators ("KPIs") covering both financial and non-financial measures of performance.

For the year ended 30 June 2026, the financial KPIs accounted for 70% of the executive team's STI and were achievable on outperforming specific targets for both Underlying EBITDA (50%) and forward order book (20%).

The non-financial KPIs accounted for 30% of the executive team's STI and comprised the achievement of strategic goals aligned with the group's growth and development objectives. The strategic objectives were chosen to align with the key drivers for the short term success of the business and provide a framework for delivering long term value.

The assessment of performance against KPIs is based on the audited financial results for the Company. For each component of the STI against a KPI no award is made where performance falls below the minimum threshold for that KPI. The Nomination and Remuneration Committee recommends the STI to be paid to the individuals to the Board for their approval. For the 2026 financial year STI it has been determined that 100% of the available bonus will vest.

Variable Remuneration – Long Term Incentive ("LTI")

The objective of the LTI plan is to retain and reward the members of the executive management team in a manner which aligns this element of remuneration with the creation of shareholder wealth.

LTI grants to executives are delivered at the discretion of the Nomination and Remuneration Committee in the form of performance rights or share options under the Senior Management Long Term Incentive Plan, which was last approved by shareholders at the 2023 Annual General Meeting.

Graeme Dunn and Chris Douglass are the only KMPs who participate in the LTI plan and in the 2026 financial year LTI scheme were issued with performance rights equal to 75% of their fixed remuneration converted at the 5 day volume weighted average price of the Company's ordinary shares prior to the start of the three year performance period.

The Key Performance Indicators ("KPIs") used to measure performance for these incentives are underlying earnings per share growth and absolute total shareholder return. These KPIs are measured over a three year performance period and were chosen because they are aligned to shareholder wealth creation. For each component of the LTI against a KPI no award is made where performance falls below the minimum threshold for that KPI.

The Nomination and Remuneration Committee assesses the performance against KPIs and recommends the LTI vesting to the Board for their approval. For the 2024 financial year performance rights, which have been performance tested at 30 June 2026, it has been determined that 100% of the available performance rights will vest. Under the terms of the LTI Plan up to 50% of vested performance rights may be exercised for cash at the participant's discretion with the balance exercised for ordinary shares in the Company.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The aggregate remuneration as approved by shareholders at the annual general meeting held on 14 October 2025 is $850,000 per year.

The Non-Executive Director fee structure is reviewed annually. The Board considers external market surveys as well as the fees paid to Non-Executive Directors of comparable companies in our sector when undertaking the annual review process. In the 2026 financial year the annual fee paid to the Chairman of the Board was $156,608 plus superannuation at the statutory rate. The annual fee paid to other Non-Executive Directors was $97,880 per annum plus superannuation at the statutory rate. No additional fees are paid to Directors who sit on Board Committees.

The Non-Executive Directors do not receive retirement benefits, nor do they participate in any incentive programs.

The remuneration paid to Non-Executive Directors in the year is detailed in Table 1 of this report.

Consequences of performance on shareholder wealth

In considering the impact of the Group's performance on shareholder wealth and the related rewards earned by executives, the Nomination and Remuneration Committee had regard to the following measures over the years below:

	2026	2025	2024	2023	2022
Underlying EPS[1] (cents)	17.9	14.0	9.6	8.3	7.7
Dividends declared and paid during the year (cps)	7.5	7.5	5.0	5.0	5.0
Change in share price	166%	5%	158%	14%	9%
Total shareholder return	170%	10%	166%	22%	19%
Market capitalisation at 30 June ($m)	1,475	483	455	175	153

1. Underlying EPS, as used to determine LTI scheme outcomes, represents basic earnings per share for the year adjusted to reflect the underlying profitability of the Group by removing amortisation of acquired intangibles, the unwinding of interest on deferred acquisition consideration payments, adjustments to the assessment of deferred acquisition consideration payable, acquisition costs, the finance income/expense arising from fair value accounting adjustments relating to performance rights and in the 2026 financial year also excludes costs arising from the settlement of the dispute on the WestConnex project which completed prior to the commencement of the FY24 LTI scheme performance period.

Table 1 Remuneration of Key Management Personnel

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the named Company executives who are key management personnel are:

		Short term benefits			Post employment	Long term benefits	Share based payments[5, 8]			
		Salary & fees	STI cash bonus	Leave[4]	Superannuation	Leave[4]	Equity-settled performance rights[6]	Cash-settled performance rights[7]	Total	Performance related
		$	$	$	$	$	$	$	$	%
Non-Executive Directors										
Karl Paganin – Chairman	2026	156,608	–	–	18,793	–	–	–	175,401	–
	2025	151,312	–	–	17,401		–	–	168,713	–
Simon Buchhorn	2026	97,880	–	–	11,746	–	–	–	109,626	–
	2025	94,570	–	–	10,876		–	–	105,446	–
Paul Chisholm	2026	97,880	–	–	11,746	–	–	–	109,626	–
	2025	94,570	–	–	10,876		–	–	105,446	–
Michael McNulty[1]	2026	97,880	–	–	11,746	–	–	–	109,626	–
	2025	76,383	–	–	8,784		–	–	85,167	–
Louise Daw[2]	2026	81,567	–	–	9,788	–	–	–	91,355	–
	2025	–	–	–	–	–	–	–	–	–
Derek Parkin[3]	2026	–	–	–	–	–	–	–	–	–
	2025	18,108	–	–	2,082	–	–	–	20,190	–
Executive Directors										
Graeme Dunn – MD/CEO	2026	848,791	659,093	(13,466)	30,000	(637)	258,880	2,461,299[7]	4,243,960	80%
	2025	816,145	475,957	7,503	30,000	19,861	233,676	735,399	2,318,541	62%
Executives										
Chris Douglass – CFO	2026	495,037	393,778	(29,794)	30,000	1,767	145,123	1,470,698[7]	2,506,609	80%
	2025	475,998	284,624	(11,394)	30,000	(13,176)	130,157	439,375	1,335,584	64%
Total	**2026**	**1,875,643**	**1,052,871**	**(43,260)**	**123,819**	**1,130**	**404,003**	**3,931,997**	**7,346,203**	**73%**
Total	**2025**	**1,727,086**	**760,581**	**(3,891)**	**110,019**	**6,685**	**363,833**	**1,174,774**	**4,139,087**	**63%**

1. Michael McNulty was appointed as a Director on 1 September 2024.
2. Lousie Daw was appointed as a Director on 1 September 2025.
3. Derek Parkin retired as a Director on 1 September 2024.
4. Leave represents annual and long service leave entitlements accrued in the period less leave taken in the period.
5. Under the terms of the Group's LTI Plan up to 50% of vested performance rights may be exercised for cash at the participant's discretion with the balance equity-settled for ordinary shares in the Company. The value disclosed in Table 1 is the fair value of the performance rights recognised in the financial year. The fair value of the performance rights with market related vesting conditions are valued using a Monte Carlo simulation model. The performance rights with non-market related vesting conditions are valued using the Binomial Tree option model.
6. For equity-settled performance rights the fair values derived at grant date are allocated to each reporting period evenly over the service period. The amount recognised as an expense in a period is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.
7. The 50% of performance rights that are available for exercise as cash are deemed to be cash-settled for accounting purposes regardless of whether they are ultimately settled for cash or equity. Cash-settled share-based payment arrangements are fair valued at each reporting date with the cumulative revaluation recognised as an expense in the period. Share price is a key input in the determination of the fair value of the rights. The significant fair value uplift in the current financial year was the result of the Company's share price increasing 166% in the year from $1.83 at 30 June 2025 to $4.86 at 30 June 2026.
8. The share-based payments remuneration recognised in the year includes accounting expenses and fair value adjustments totalling $933,266 (2025: $533,253) for Graeme Dunn and $557,889 (2025: $303,197) for Chris Douglass relating to performance rights that have not yet vested and may never vest depending on the outcomes for the 2025 and 2026 Financial Year Performance Rights which will be performance tested at 30 June 2027 and 30 June 2028 respectively.

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Employment Contracts

The following executives have non-fixed term employment contracts. The company may terminate the employment contract by providing the other party notice as follows:

Executive	Notice Period
Graeme Dunn	6 months
Chris Douglass	6 months

The Group retains the right to terminate a contract immediately by making a payment in lieu of the notice period. An executive may be terminated immediately for a breach of their employment conditions. Upon termination the executive is entitled to receive their accrued annual leave and long service leave together with any superannuation benefits. There are no other termination payment entitlements.

Performance rights over equity instruments

The movement during the reporting period in the number performance rights over ordinary shares in Southern Cross Electrical Engineering Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Performance Rights over equity instruments

Executive	Held at 30 June 2025	Granted as remuneration	Vested and exercised[1]	Forfeited	Held at 30 June 2026	Vested and exercisable at 30 June 2026
Graeme Dunn	2,285,880	372,159	(1,004,348)	-	1,653,691	-
Chris Douglass	1,365,810	223,348	(600,000)	-	989,158	-
	3,651,690	**595,507**	**(1,604,348)**	**-**	**2,642,849**	**-**

1. Graeme Dunn elected to exercise 50% of his vested 2023 performance rights for cash and 50% for ordinary shares in accordance with the LTI Plan Rules. Chris Douglass elected to exercise 100% of his vested 2023 performance rights for ordinary shares.

Performance rights granted as remuneration in 2026

During the period performance rights over ordinary shares in the company were granted as remuneration to KMP. These performance rights will vest subject to the meeting of performance set out below. Details on performance rights that were granted during the period are as follows:

Executive	Instrument	Number	Grant date	Fair value per performance right at grant date ($)	Exercise price per performance right ($)	Performance testing date	Expiry Date
Graeme Dunn[1]	2026 Rights	186,080	15/10/25	1.38	0.00	30/6/28	15/10/29
Graeme Dunn[2]	2026 Rights	186,079	15/10/25	2.02	0.00	30/6/28	15/10/29
Chris Douglass[1]	2026 Rights	111,174	15/10/25	1.38	0.00	30/6/28	15/10/29
Chris Douglass[2]	2026 Rights	111,174	15/10/25	2.02	0.00	30/6/28	15/10/29
		595,507					

1. Performance rights granted with Absolute TSR as the vesting condition
2. Performance rights granted with EPS growth as the vesting condition

2026 Financial Year Performance Rights

Up to 100% of the allocated performance rights may vest, subject to the achievement of the performance conditions as set out below. The key terms of the performance rights are:

- To be performance tested over a three year period from 1 July 2025 to 30 June 2028 ("Performance Period");
- No performance rights will vest until 30 June 2028;
- Performance testing criteria are 50% against Absolute Total Shareholder Return ("TSR") performance, and 50% against Earnings Per Share ("EPS") performance; and
- Expiry on the 4th anniversary of the grant date unless an earlier lapsing date applies.

The TSR formula is:

((Share Price at Test Date – Share Price at Start Date) + (Dividends Received))/Share Price at Start Date

TSR will be assessed against targets for threshold performance of 8% per annum compounded over the Performance Period and for stretch performance of 12% per annum compounded over the Performance Period. The vesting schedule is as follows for TSR performance over the Performance Period:

Less than 8% per annum compounded	0% vesting
8% per annum compounded	50% vesting
Between 8% and 12% per annum compounded	Pro-rata vesting between 50% and 100%
At or above 12% per annum compounded	100% vesting

EPS performance will be measured in the 2028 financial year. For the purposes of performance testing the Performance Rights, EPS in the 2028 financial year will be the Basic EPS for the year, as prescribed by the accounting standards and set out in the Company's Financial Reports, adjusted by the Board to reflect the Company's underlying profitability by removing from the calculation of profit or loss attributable to ordinary shareholders in the year non-underlying items, which include:

(a) amortisation of acquired intangibles;

(b) unwinding of interest on deferred acquisition consideration payments;

(c) adjustments to the assessment of deferred consideration payable;

(d) acquisition costs; and

(e) finance income or expenses arising from fair value accounting adjustments relating to performance rights.

EPS performance in the 2028 financial year, as described above, will be assessed against targets for threshold performance of 8% compound annual growth and stretch performance of 12% compound annual growth from EPS, as calculated using the same methodology described above, in the 2025 financial year. The vesting schedule is as follows for EPS performance in the 2028 financial year:

Less than 8% compound annual growth from EPS in FY25	0% vesting
8% compound annual growth from EPS in FY25	50% vesting
Between 8% and 12% compound annual growth from EPS in FY25	Pro-rata vesting between 50% and 100%
At or above 12% compound annual growth from EPS in FY25	100% vesting

Under the terms of the LTI Plan up to 50% of vested performance rights may be exercised for cash at the participants discretion with the balance exercised for one ordinary share per vested performance right.

Where a participant ceases employment prior to the vesting of their share options or performance rights, the share options or performance rights are forfeited unless in the event of retirement, permanent disablement or death the Board, at their absolute discretion, waive the exercise and vesting conditions associated with the performance rights or allow the performance rights to continue to be assessed over the original performance assessment period. In the event of a change of control of the Company, all options and performance rights that have not lapsed may be exercised.

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Details of equity incentives affecting current and future remuneration

Details of the vesting profiles of the performance rights held by each key management person are as follows:

Executive	Instrument	Number	Grant Date	% vested in year	% forfeited in year	Performance testing date	Expiry Date
Graeme Dunn	2023 Rights	1,004,348	4/11/22	100%	-	30/6/25	5/11/26
	2024 Rights (A)	915,974	1/11/23	-	-	30/6/26	1/11/27
	2025 Rights (B)	365,558	31/10/24	-	-	30/6/27	31/10/28
	2026 Rights (C)	372,159	15/10/25	-	-	30/6/28	15/10/29
Chris Douglass	2023 Rights	600,000	4/11/22	100%	-	30/6/25	5/11/26
	2024 Rights (A)	547,205	25/8/23	-	-	30/6/26	25/8/27
	2025 Rights (B)	218,605	31/10/24	-	-	30/6/27	31/10/28
	2026 Rights (C)	223,348	15/10/25	-	-	30/6/28	15/10/29

A. 50% of the 2024 performance rights have TSR as the vesting condition with a threshold target of 8% per annum compounded and a stretch target of 12% per annum compounded. These performance rights have a fair value of between $0.35 and $0.48 each. 50% of the 2024 performance rights have EPS growth as the vesting condition with a threshold target of 8% per annum compounded growth and a stretch target of 12% per annum compounded growth over the performance period. These performance rights have a fair value of between $0.62 and $0.70 each. The 2024 financial year performance rights have been performance tested at 30 June 2026 and it has been determined that 100% of the available performance rights will vest.

B. 50% of the 2025 performance rights have TSR as the vesting condition with a threshold target of 8% per annum compounded and a stretch target of 12% per annum compounded. These performance rights have a fair value of $0.64 each. 50% of the 2025 performance rights have EPS growth as the vesting condition with a threshold target of 8% per annum compounded growth and a stretch target of 12% per annum compounded growth over the performance period. These performance rights have a fair value of $1.44 each. The maximum employee benefit expense that may be recognised over the remaining service period in respect of these performance rights in the event that all rights vest is $101,256.

C. The vesting conditions and fair values of the 2026 performance rights are set out on page 31-32. The maximum employee benefit expense that may be recognised over the remaining service period in respect of these performance rights in the event that all rights vest is $336,887.

Movements in shares

The movement during the reporting period in the number of ordinary shares in Southern Cross Electrical Engineering Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows.

Ordinary shares

	Held at 30 June 2025	Additions	Disposals	Other	Held at 30 June 2026
Directors					
Karl Paganin[1]	1,909,501	61,845	–	(30,643)	1,940,703
Graeme Dunn	2,727,211	502,174	–	–	3,229,385
Simon Buchhorn	842,035	27,271	–	–	869,306
Paul Chisholm	2,758,460	–	–	–	2,758,460
Michael McNulty	21,282	15,000	–	-	36,282
Louise Daw[2]	–	196	–	25,615	25,811
Executives					
Chris Douglass	2,867,526	600,000	–	–	3,467,526

1. Other movement represents the removal from Mr Paganin's relevant interests in securities of shares held by his adult children who were reclassified as non-dependent.

2. Other movement represents shares held on Louise Daw's appointment as a Director.

Transactions with key management personnel

There were no transactions between the company and Key Management Personnel during the year. There are no loans between the company and Key Management Personnel.

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Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $'000	2025 $'000
Contract revenue	4	718,699	801,454
Contract expenses	6	(582,027)	(695,537)
Gross profit		**136,672**	**105,917**
Other income	5	1,428	1,736
Employee benefits expenses	6	(35,317)	(29,602)
Occupancy expenses		(4,047)	(3,420)
Administration expenses		(17,361)	(15,952)
Depreciation expense	7	(3,442)	(3,008)
Amortisation expense	7	(4,781)	(3,234)
Amortisation of customer contracts and relationships	7	(4,425)	(2,705)
Westconnex dispute costs	8	(46,123)	-
Other expenses from ordinary activities		(4,329)	(3,842)
Profit from operations		**18,275**	**45,890**
Finance income	9	2,047	2,957
Finance expenses	9	(9,038)	(3,216)
Net finance expense		**(6,991)**	**(259)**
Profit before tax		11,284	45,631
Income tax expense	10	(4,219)	(13,961)
Profit from continuing operations		**7,065**	**31,670**
Other comprehensive income			
Items that are or may be reclassified to the profit and loss		-	-
Other comprehensive income net of income tax		-	-
Total comprehensive income		**7,065**	**31,670**
Total comprehensive income attributable to:			
Owners of the Company		**7,065**	**31,670**
Earnings per share:			
Basic earnings per share (cents)	11	**2.65**	**11.99**
Diluted earnings per share (cents)	11	**2.62**	**11.90**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	12	261,546	88,572
Trade and other receivables	13	123,234	134,013
Inventories	14	2,376	1,621
Prepayments		3,511	3,999
Total current assets		**390,667**	**228,205**
Non-current assets			
Property, plant and equipment	16	16,397	13,208
Right-of-use assets	17	20,923	7,701
Intangible assets	18	160,789	161,929
Deferred tax asset	10	14,522	10,001
Tax receivable		1,781	-
Total non-current assets		**214,412**	**192,839**
Total assets		**605,079**	**421,044**
Liabilities			
Current liabilities			
Trade and other payables	19	198,063	161,165
Lease liability	20	4,164	3,460
Provisions	21	29,511	26,773
Contingent acquisition consideration	22	8,511	4,636
Tax payable		-	2,589
Total current liabilities		**240,249**	**198,623**
Non-current liabilities			
Lease liability	20	17,492	4,755
Provisions	21	3,465	2,419
Contingent acquisition consideration	22	4,298	10,638
Total non-current liabilities		**25,255**	**17,812**
Total liabilities		**265,504**	**216,435**
Net assets		**339,575**	**204,609**
Equity			
Share capital	23	266,646	118,961
Reserves		517	371
Retained earnings		72,412	85,277
Total equity		**339,575**	**204,609**

The above balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2026

	Share Capital $'000	Retained Earnings $'000	Share Based Payments Reserve $'000	Translation Reserve $'000	Total Equity $'000
Balance as at 1 July 2024	117,554	73,414	707	(514)	191,161
Total comprehensive income for the year					
Profit for the year	-	31,670	-	-	31,670
Total comprehensive income	-	31,670	-	-	31,670
Transactions with owners, recorded directly in equity					
Dividends	-	(19,807)	-	-	(19,807)
Dividend re-investment, net	707	-	-	-	707
Performance rights (net of tax)	700	-	(279)	-	421
Equity-settled share-based payment	-	-	457	-	457
Total transactions with owners	1,407	(19,807)	178	-	(18,222)
Balance as at 30 June 2025	**118,961**	**85,277**	**885**	**(514)**	**204,609**

	Share Capital $'000	Retained Earnings $'000	Share Based Payments Reserve $'000	Translation Reserve $'000	Total Equity $'000
Balance as at 1 July 2025	118,961	85,277	885	(514)	204,609
Total comprehensive income for the year					
Profit for the year	-	7,065	-	-	7,065
Total comprehensive income	-	7,065	-	-	7,065
Transactions with owners, recorded directly in equity					
Dividends	-	(19,930)	-	-	(19,930)
Dividend re-investment, net	1,000	-	-	-	1,000
Performance rights (net of tax)	811	-	(424)	-	387
Capital raising	144,694	-	-	-	144,694
Deferred tax relating to capital raising costs	1,180	-	-	-	1,180
Equity-settled share-based payment	-	-	570	-	570
Total transactions with owners	147,685	(19,930)	146	-	127,901
Balance as at 30 June 2026	**266,646**	**72,412**	**1,031**	**(514)**	**339,575**

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Cash receipts from customers		831,838	916,287
Cash paid to suppliers and employees		(725,568)	(826,073)
Westconnex dispute costs	8	(26,633)	-
Government grants received	5	596	354
Interest received		2,047	2,957
Interest paid		(2,458)	(1,954)
Income taxes paid		(13,110)	(26,780)
Net cash from operating activities	28	66,712	64,791
Cash flows from investing activities			
Payment of contingent acquisition consideration	22	(4,690)	(1,000)
Proceeds from the sale of assets		440	142
Acquisition of property, plant and equipment	16	(7,017)	(4,983)
Acquisition of intangible assets	18	(3,421)	-
Acquisition of subsidiary, net of cash acquired	26	-	(31,974)
Net cash used in investing activities		(14,688)	(37,815)
Cash flows from financing activities			
Proceeds from issues of equities (net)		144,694	-
Dividends paid		(18,930)	(19,100)
Share based payment in cash		(388)	(279)
Payment of lease liabilities principal		(4,426)	(3,108)
Net cash used in financing activities		120,950	(22,487)
Increase in cash and cash equivalents		172,974	4,489
Cash and cash equivalents at beginning of period		88,572	84,083
Cash and cash equivalents at 30 June	12	**261,546**	**88,572**

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Reporting entity

Southern Cross Electrical Engineering Limited ("the Company", "the parent") is a company incorporated and domiciled in Australia. The company's shares are publicly traded on the Australian Securities Exchange.

The consolidated financial statements for the year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is a for-profit entity and the nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB"). A listing of new standards and interpretations not yet adopted is included in note 34(v).

These financial statements have been rounded to the nearest thousand dollars where permitted by ASIC Instrument 2026/183 dated 1 April 2026.

The consolidated financial statements were authorised for issue by the Board of Directors on 18 August 2026.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except as set out below:

- Share-based payment arrangements are measured at fair value.
- Assets and liabilities acquired in a business combination are initially recognised at fair value.

The methods used to measure fair values are discussed further in note 35.

(c) Use of estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about these accounting estimates is included in the following notes:

- Note 4, 15 and 34 (m) – estimation of total contract cost and measurement of variable consideration;
- Note 16, 18 and 34 (j) – recoverable amount for testing property, plant and equipment and goodwill;
- Note 22 and 34 (t) – measurement of contingent acquisition consideration; and
- Note 27 and 34 (k) – measurement of share-based payments.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relate to contract revenue (note 34(m) and 4) and contract assets (note 34(j) and 15).

Details of the Group's accounting policies are included in notes 34 and 35.

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3. Segment reporting

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

	Reportable segments					
	Electrical, security and communication services		Fire services		Reportable segments Total	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Segment profit before tax	20,768	56,681	11,305	2,079	32,073	58,760
External revenues	587,378	773,681	131,362	27,773	718,699	801,454

Reconciliation of reportable segment profit before tax	2026 $'000	2025 $'000
Total profit before tax for reportable segments	32,073	58,760
Unallocated amounts		
-Corporate expenses	(10,681)	(12,026)
-Amortisation of customer contracts and relationships	(4,425)	(2,705)
-Net finance (expense)/income	(5,683)	1,602
Consolidated profit before income tax	11,284	45,631

	Reportable segments					
	Electrical, security and communication services		Fire services		Reportable segments Total	
	2026 $'000	2025 (restated) $'000	2026 $'000	2025 (restated) $'000	2026 $'000	2025 (restated) $'000
Segment assets	410,803	331,665	48,755	32,964	459,558	364,629
Segment liabilities	208,816	172,181	32,717	24,679	241,533	196,860

Reconciliation of reportable segment assets and liabilities	2026 $'000	2025 $'000
Total assets of reportable segments	459,558	364,629
Eliminate intercompany loans	(153,768)	(106,919)
Unallocated group assets	299,289	163,334
Consolidated total assets	605,079	421,044
Total liabilities of reportable segments	241,533	196,860
Unallocated group liabilities	23,971	19,575
Consolidated total liabilities	265,504	216,435

3. Segment reporting (continued)

Revenue is principally derived by the Group from the provision or manufacture of electrical, instrumentation, communications, security, fire, and maintenance services and products through construction and services contracts to customers in the following sectors: Commercial, Resources, and Infrastructure.

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

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

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

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

The following summary describes the operations of each reportable segment.

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

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

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

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

In presenting information on the basis of geographical location, segment revenue, based on the geographical location of customers, and segment assets, based on the geographical location of the assets, are all materially located in Australia.

No customers of the Group's Australian segment generated more than 10% of the Group's revenue (2025: $325.2m generated from the two largest customers).

4. Contract revenue

Disaggregated revenue information

	Note	2026 $'000	2025 $'000
Operating sectors			
Commercial		247,222	152,481
Resources		111,470	137,366
Infrastructure		360,007	511,607
Total revenue		718,699	801,454
Revenue type			
Construction revenue		561,376	650,851
Services revenue		157,323	150,603
Total revenue		718,699	801,454
Timing of revenue recognition			
Products and services transferred over time		681,114	765,131
Products and services transferred at a point in time		37,585	36,323
Revenue from contracts with customers		718,699	801,454
Contract balances			
Trade receivables	13	80,200	69,447
Contract assets	15	40,966	62,071
		121,166	131,518

Trade receivables are non-interest bearing and are generally on 30 to 45 days term. In 2026, $nil (2025: $0.2m) was recognised as provisions for expected credit losses on trade receivables.

Contract assets and revenue includes contract modifications recognised in accordance with the Group's accounting policy (note 34(m)(iii)) for which amounts are not yet finalised with the customer.

The following amounts are included in revenue from contracts for the year ended 30 June 2026:

Revenue recognised as a contract liability in prior period	57,950	49,031

Unsatisfied Performance Obligations

Transaction price expected to be recognised in future years for unsatisfied performance obligations at 30 June 2026:

Construction revenue	559,202	507,330
Services revenue	162,060	177,951
	721,262	685,281

In line with the Group's accounting policy described in Note 34 (m), the transaction price expected to be recognised in future years excludes variable consideration that is constrained.

4. Contract revenue (continued)

The average duration of contracts is given below. However, some contracts will vary from these typical lengths. Revenue is typically earned over these varying timeframes:

Construction revenue	1 to 3 years
Services revenue	up to 5 years

Of the unsatisfied performance obligations at 30 June 2026, 83% are expected to be recognised in the next 12 months.

5. Other income

	Note	2026 $'000	2025 $'000
Other income			
Apprenticeship incentive		596	354
Net gain on disposals		394	96
Other		438	1,286
		1,428	1,736

6. Employee benefits expenses

	Note	2026 $'000	2025 $'000
Remuneration, bonuses and on-costs		(27,887)	(23,309)
Superannuation contributions		(3,835)	(3,180)
Amounts provided for employee entitlements		(2,463)	(2,208)
Share-based payments expense	27	(1,132)	(905)
		(35,317)	(29,602)

The above employee benefits expenses do not include employee benefits expenses recorded within contract expenses. Employee benefits included in contract expenses were $177.0m (2025: $165.9m) which included superannuation contributions of $18.4m (2025: $15.9m). The total employee benefits expense is therefore $212.3m (2025: $195.5m).

7. Depreciation and amortisation expenses

	Note	2026 $'000	2025 $'000
Buildings		(17)	(17)
Leasehold improvements		(432)	(275)
Plant and equipment		(590)	(560)
Motor vehicles		(1,401)	(1,345)
Office furniture and equipment		(1,002)	(811)
Total depreciation expense for the year	16	(3,442)	(3,008)
Amortisation of ROU asset	17	(4,645)	(3,108)
Amortisation of customer contract intangibles	18	(4,425)	(2,705)
Amortisation of intellectual property	18	(136)	(126)
Total amortisation expense for the year		(9,206)	(5,939)

8. Westconnex dispute costs

	Note	2026 $'000	2025 $'000
Settlement payment		(25,250)	–
Contract asset write-off		(19,490)	–
Legal costs		(1,383)	–
		(46,123)	–

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

9. Finance income and expenses

	Note	2026 $'000	2025 $'000
Interest income on bank deposits		2,047	2,957
Finance income		2,047	2,957
Bank charges		(955)	(773)
Bank guarantee fees		(442)	(613)
Contingent acquisition interest	22	(910)	(339)
Lease liability interest		(906)	(421)
Remeasurement of cash-settled share-based payments		(4,356)	(923)
Remeasurement of contingent acquisition consideration		(1,315)	–
Other		(154)	(147)
Finance expenses		(9,038)	(3,216)
Net finance expense		(6,991)	(259)

10. Income tax expense

	2026 $'000	2025 $'000
(a) Income Statement		
Current tax expense		
Current period	(7,780)	(21,262)
Over provision from prior year	229	(79)
Other reconciling items	(9)	-
	(7,560)	(21,341)
Deferred tax expense		
Origination and reversal of temporary differences	3,986	7,070
Under provision from prior year	(645)	310
Income tax expense reported in the income statement	(4,219)	(13,961)

(b) Reconciliation between tax expense and pre-tax accounting profit

Accounting profit before income tax	11,284	45,631
Income tax expense using the Company's domestic tax rate of 30%	(3,385)	(13,689)
Under provision from prior year	(125)	1
Share based payments	(171)	(137)
Non-deductible contingent acquisition consideration interest	(273)	(101)
Remeasurement of contingent acquisition consideration	(395)	-
Other	130	(35)
Income tax expense reported in the income statement	(4,219)	(13,961)
The applicable effective tax rates are:	37.39%	30.00%

10. Income tax expense (continued)

Deferred tax assets and liabilities

	Balance Sheet		Income Statement		Equity	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Deferred tax liabilities						
Retentions receivable	(32)	(36)	(4)	(116)	–	–
Contract assets	(7,256)	(9,353)	(2,097)	(3,394)	–	–
Right-of-use assets	(6,162)	(2,310)	3,852	11	–	–
Intangible assets	(2,060)	(2,264)	(204)	(1,013)	–	–
Property, plant and equipment	–	(562)	(562)	(346)	–	–
Other	(52)	–	52			
	(15,562)	(14,525)	1,037	(4,858)	–	–
Deferred tax assets						
Provisions	2,874	1,332	(1,542)	(173)	–	–
Employee entitlements	8,940	9,408	468	(908)	–	–
Unearned revenue	9,939	11,151	1,212	(1,527)	–	–
Lease liability	6,382	2,464	(3,918)	2	–	–
Property, plant and equipment	614	–	(614)	–		
Capital raising costs	1,180	–	–	–	(1,180)	
Other	155	171	16	84	–	–
	30,084	24,526	(4,378)	(2,522)	(1,180)	–
Net deferred tax assets/(liabilities)	14,522	10,001	(3,341)	(7,380)	(1,180)	–

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11. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2026 was based on the profit attributable to ordinary shareholders of $7,064,471 (2025: $31,670,000) and a weighted average number of ordinary shares outstanding of 266,523,645 (2025: 264,110,894), calculated as follows:

Profit attributable to ordinary shareholders	Note	2026 $'000	2025 $'000
Profit for the period		7,065	31,670

Weighted average number of ordinary shares		2026	2025
Issued ordinary shares at 1 July	23	264,409,110	263,214,994
Effective new balance resulting from issue of shares in the year		2,114,535	895,900
Weighted average number of ordinary shares at 30 June		266,523,645	264,110,894

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2026 was based on the profit attributable to ordinary shareholders of $7,064,471 (2025: $31,670,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 269,972,558 (2025: 266,058,277) as follows:

Profit attributable to ordinary shareholders (diluted)	2026 $'000	2025 $'000
Profit for the period	7,065	31,670

Weighted average number of ordinary shares (diluted)	2026	2025
Weighted average number of ordinary shares for basic earnings per share	266,523,645	264,110,894
Effect of dilution:		
Performance rights on issue	3,448,913	1,947,383
Weighted average number of ordinary shares at 30 June	269,972,558	266,058,277

At 30 June 2026, no performance rights (2025: 224,496 performance rights) were excluded from the diluted weighted average number of ordinary shares calculation because it was estimated that the TSR growth target required for the performance rights to vest was not likely to be achieved.

12. Cash and cash equivalents

	2026 $'000	2025 $'000
Bank balances	261,546	88,572
Cash and cash equivalents in the statement of cash flows	261,546	88,572

The effective interest rate on cash and cash equivalents was 2.84% (2025: 3.83%); these deposits are either at call or on short term deposit.

13. Trade and other receivables

	Note	2026 $'000	2025 $'000
Trade receivables		80,200	69,447
Sundry debtors		1,058	1,544
Provision for impairment of trade receivables		(797)	(798)
Contract assets	15	40,966	62,071
Retentions		1,807	1,749
		123,234	134,013

Trade receivables are non-interest bearing and are generally on 30 to 45 day terms. The provision for impairment of trade receivables relates to expected credit losses and is used to record impairment losses. When the Group is reasonably certain that no recovery of the amount owing is possible, the amount is considered irrecoverable and is written off against the financial asset directly. The Group will continue to strongly pursue all debts provided for.

The movement in the allowance for impairment in respect of Trade receivables during the year was as follows:

Balance at start of year	798	637
Impairment losses recognised	(1)	161
Balance at 30 June	797	798

The ageing of trade receivables and the related provision for expected credit losses are detailed in note 24. All write-offs of bad debts are made when there is no reasonable expectation of recovering the contractual cash flows.

14. Inventories

Raw materials and consumables – cost	2,376	1,621

15. Contract assets

Costs incurred to date	258,967	502,462
Recognised profit	59,194	54,060
Progress billings	(277,195)	(494,451)
	40,966	62,071

Contract assets comprise rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

16. Property, plant and equipment

	Note	Land and Buildings $'000	Leasehold Improvements $'000	Plant and equipment $'000	Motor Vehicles $'000	Office Furniture and Equipment $'000	Total $'000
Cost							
Balance at 1 July 2024		943	2,620	7,960	12,384	12,401	36,308
Additions		-	463	1,701	1,764	1,055	4,983
Disposals		-	-	(369)	(572)	(7)	(948)
Business combination	26	-	8	88	1	273	370
Balance at 30 June 2025		**943**	**3,091**	**9,380**	**13,577**	**13,722**	**40,713**
Balance at 1 July 2025		943	3,091	9,380	13,577	13,722	40,713
Additions		-	2,748	1,515	1,407	1,347	7,017
Disposals		-	(772)	(160)	(1,923)	(25)	(2,880)
Balance at 30 June 2026		**943**	**5,067**	**10,735**	**13,061**	**15,044**	**44,850**
Depreciation							
Balance at 1 July 2024		(269)	(1,280)	(5,969)	(6,929)	(10,952)	(25,399)
Depreciation for the year	7	(17)	(275)	(560)	(1,345)	(811)	(3,008)
Disposals		-	-	384	511	7	902
Balance at 30 June 2025		**(286)**	**(1,555)**	**(6,145)**	**(7,763)**	**(11,756)**	**(27,505)**
Balance at 1 July 2025		(286)	(1,555)	(6,145)	(7,763)	(11,756)	(27,505)
Depreciation for the year	7	(17)	(432)	(590)	(1,401)	(1,002)	(3,442)
Disposals			468	160	1,841	25	2,494
Balance at 30 June 2026		**(303)**	**(1,519)**	**(6,575)**	**(7,323)**	**(12,733)**	**(28,453)**
Carrying amounts							
At 30 June 2025		657	1,536	3,235	5,814	1,966	13,208
At 30 June 2026		**640**	**3,548**	**4,160**	**5,738**	**2,311**	**16,397**

17. Right-of-use assets

The Group leases assets including property, motor vehicles and office furniture and equipment. Information about leased assets for which the Group is a lessee is presented below:

	Note	Land and Buildings $'000	Motor Vehicles $'000	Office Furniture and Equipment $'000	Total $'000
Opening carrying amount at 1 July 2024		7,595	-	70	7,665
Additions		957	338	-	1,295
Business Combination		53	2,016	-	2,069
Remeasurement		(220)	-	-	(220)
Amortisation charged for the year	7	(2,769)	(281)	(58)	(3,108)
Closing carrying amount at 30 June 2025		**5,616**	**2,073**	**12**	**7,701**
Opening carrying amount at 1 July 2025		5,616	2,073	12	7,701
Additions		14,248	1,515	-	15,763
Remeasurement		1,898	206	-	2,104
Amortisation charged for the year	7	(3,343)	(1,290)	(12)	(4,645)
Closing carrying amount at 30 June 2026		**18,419**	**2,504**	**-**	**20,923**

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

For the year ended 30 June 2026, an expense of $0.7m (2025: $0.6m) was recognised for short term or low value leases.

18. Intangible assets – goodwill, customer contracts and relationships, and other

Cost	Note	Goodwill $'000	Customer Contracts and Relationships $'000	Other $'000	Total $'000
Balance as at 1 July 2024		119,030	19,749	1,639	140,418
Other		53	–	76	129
Business combination	26	43,068	5,478	–	48,546
Balance as at 30 June 2025		**162,151**	**25,227**	**1,715**	**189,093**
Balance as at 1 July 2025		162,151	25,227	1,715	189,093
Other		–	–	3,421	3,421
Balance as at 30 June 2026		**162,151**	**25,227**	**5,136**	**192,514**
Amortisation					
Balance as at 1 July 2024		(8,390)	(15,525)	(418)	(24,333)
Amortisation	7	–	(2,705)	(126)	(2,831)
Balance as at 30 June 2025		**(8,390)**	**(18,230)**	**(544)**	**(27,164)**
Balance as at 1 July 2025		(8,390)	(18,230)	(544)	(27,164)
Amortisation	7	–	(4,425)	(136)	(4,561)
Balance as at 30 June 2026		**(8,390)**	**(22,655)**	**(680)**	**(31,725)**
Carrying amounts					
At 30 June 2025		**153,761**	**6,997**	**1,171**	**161,929**
At 30 June 2026		**153,761**	**2,572**	**4,456**	**160,789**

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units ("CGUs") which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	2026 $'000	2025 $'000
SCEE Electrical	8,784	8,784
Heyday	60,348	60,348
Force Fire	43,068	43,068
Trivantage	41,561	41,561
	153,761	**153,761**

The recoverable amounts of the above CGUs were based on their value in use with the Group performing its annual impairment test in June 2026. The carrying amount of the operating CGUs were determined to be lower than their recoverable amounts and therefore no impairment charge has been recognised.

Value in use was determined by preparing five year discounted cash flow forecasts and extrapolating the cash flows beyond the terminal year using a terminal growth-rate. The recoverable amount is most sensitive to key assumptions including forecast contract revenues, in particular securing new work and forecast contract gross margins. The calculation of value in use was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results, known and expected contract wins, and independent research on the markets in which the CGUs operate.

18. Intangible assets – goodwill, customer contracts and relationships, and other (continued)

- The five year cash flow estimates used in assessments for all CGU's were based on Board approved budgets for the year ending 30 June 2027. The budget has been prepared based on revenues from secured work and an estimate of unsecured work based on industry estimates and historical growth. Compound average annual growth assumptions on revenue thereafter are SCEE Electrical 1.1% (2025: 1.1%), Heyday 1.1% (2025: 1.1%), Trivantage 1.1% (2025: 1.1%) and Force Fire 3.7% (2025: 3.7%) per annum for each future year. The terminal value assumes perpetual growth of 2.5% (2025: 2.5%).
- The margins included in the projected cash flow are similar to those achieved historically over the past 5 years.
- Pre-tax discount rates applied were SCEE Electrical 11.2% (2025: 12.8%), Heyday 11.7% (2025: 13.6%), Trivantage 11.9% (2025: 12.9%) and Force Fire 11.4% (2025: 12.6%). This discount rate was estimated based on past experience and industry average weighted cost of capital.

Sensitivity to changes in assumptions

Management believes that any reasonable change in the key assumptions for the SCEE Electrical, Heyday, Force Fire, and Trivantage segments would not cause the carrying value to exceed its recoverable amount. All CGUs can withstand the high end of the discount rate range without causing the carrying value to exceed its recoverable amount.

19. Trade and other payables

	2026 $'000	2025 $'000
Trade payables	62,760	48,604
Contract liabilities	100,214	70,253
Accrued expenses	29,449	37,257
Goods and services tax payable	4,870	4,574
Retentions payable	770	477
	198,063	161,165

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 24.

Contract liabilities

Current		
Unearned revenue	100,214	70,253

Unearned revenue arises when the Company has invoiced the client in advance of performing the contracted services. Contract liabilities fluctuate based on progress of completion of contracts.

20. Lease liability

	2026 $'000	2025 $'000
Current portion	4,164	3,460
Non-current portion	17,492	4,755
	21,656	8,215

The average remaining lease term for the leased assets per underlying asset class as at 30 June 2026 are as follows:

	2026 (in years)	2025 (in years)
Land and building	3.22	2.39
Motor vehicles	1.86	1.67
Office equipment	1.17	2.17

The Group has estimated that the potential future lease payments, should it exercise the extension options contained in existing lease agreements, would result in an increase in the lease liability of $4.8m.

21. Provisions

	2026 $'000	2025 $'000
Current		
Annual leave	16,731	16,808
Long service leave	5,028	4,812
Other employee leave	2,993	2,930
Share-based payments liability	3,994	1,644
Other	765	579
	29,511	26,773
Non-current		
Long service leave	1,405	1,283
Share-based payments liability	2,060	1,136
	3,465	2,419

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition accounting policy relating to employee benefits have been included in note 34(k) to this report.

22. Contingent acquisition consideration

	Note	2026 $'000	2025 $'000
Current portion		8,511	4,636
Non-current portion		4,298	10,638
Balance at 30 June		12,809	15,274
Contingent acquisition consideration movements			
Balance at 1 July		15,274	3,736
Finance costs		910	339
Remeasurement		1,315	(717)
Acquisition of Force Fire Holdings Pty Ltd	26	-	12,916
Payments		(4,690)	(1,000)
Balance at 30 June		12,809	15,274

23. Capital and reserves

Share capital

	2026		2025	
	Number	$'000	Number	$'000
Ordinary shares				
Issued and fully paid	303,553,747	265,467	264,409,110	118,961
Movements in shares on issue				
Balance at the beginning of the financial year	264,409,110	118,961	263,214,994	117,554
Exercise of employee performance rights, net of transaction costs	1,201,087	811	790,208	700
Issue of ordinary shares under the dividend reinvestment plan, net of transaction costs	443,550	1,000	403,908	707
Capital Raising	37,500,000	144,694	-	-
Deferred tax relating to capital raising costs	-	1,180		
Balance at the end of the financial year	303,553,747	266,646	264,409,110	118,961

The Company does not have authorised capital or par value in respect of its issued shares. All shares have voting rights and rights to dividends.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Share based payments reserve

The share based payments reserve records the fair value of share based payments provided to employees.

23. Capital and reserves (continued)

Dividends

Dividends recognised in the current year by the Group are:

	Cents per share	Total amount $'000	Franked	Date of payment
2026				
Final 2025 ordinary	5.0	13,281	Franked	8 October 2025
Interim dividend	2.5	6,649	Franked	22 April 2026
Total amount		19,930		
2025				
Final 2024 ordinary	5.0	13,200	Franked	9 October 2024
Interim dividend	2.5	6,607	Franked	9 April 2025
Total amount		19,807		

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Declared after end of year

Subsequent to 30 June 2026, a dividend of 7.5 cents per share in the amount of $23.0million, including dividends paid to shares anticipated to be issued in respect of vested and exercisable performance rights, was proposed by the directors. The dividend has not been provided in the financial statements.

	Company	
	2026 $'000	2025 $'000
Franking account balance	65,641	61,535

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

(a) franking credits that will arise from the payment of the current tax liabilities; and

(b) franking debits that will arise from the payment of dividends recognised as a liability at the year end.

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

24. Financial instruments

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risks, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit and Risk Management Committee, which is responsible for overseeing how management monitors risk and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations in relation to the management and mitigation of these risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers including contract assets.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2026 $'000	2025 $'000
Cash and cash equivalents	261,546	88,572
Trade and other receivables (net of provision for impairment)	82,269	71,942
Contract assets	40,966	62,071
	384,781	222,585

Cash

The Group's cash and cash equivalents are held with major banks and financial institutions.

24. Financial instruments (continued)

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and contract with customer. Geographically, the concentration of credit risk is within Australia and, by industry, the concentration is spread across the commercial, infrastructure and resources sectors, with no single customer within trade receivables contributing more than 10% of the total trade receivables balance.

When entering into new customer contracts for service, the Group only enters into contracts with credit-worthy companies. Management monitors the Group's exposure on a monthly basis. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, aging profile, maturity and existence of previous financial difficulties.

The Group does not require collateral in respect of trade receivables and contract assets. The Group utilises trade credit insurance against certain customers to reduce the Group's exposure to credit risk.

The Group's maximum exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was:

	Carrying amount	
	2026 $'000	2025 $'000
Australia	123,235	134,013
	123,235	134,013

Impairment losses

The ageing of the Group's trade receivables and contract assets at the reporting date was:

	Note	Gross 2026 $'000	Allowance for Impairment 2026 $'000	Gross 2025 $'000	Allowance for Impairment 2025 $'000
Contract assets – not past due	15	40,966	–	62,071	–
Trade Receivables:					
Not past due		56,136	–	52,723	–
Past due 0-30 days		23,245	–	15,123	–
Past due 30-60 days		1,587	–	2,370	–
Past due 60 days and less than 1 year		975	(328)	2,054	(328)
More than 1 year		1,123	(469)	470	(470)
		83,066	(797)	72,740	(798)
		124,032	(797)	134,811	(798)

The provision of $797,000 relates to expected credit losses. Impairment provision related to specific debts that are more than one year overdue pertains to a small number of customers. The Group continues to strongly pursue all debts provided for.

The Group has established an allowance for impairment that represents their expected credit losses in respect of trade receivables and contract assets.

The Group recognises a provision for impairment related to expected credit losses ("ECLs") for trade receivables, contract assets and other debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

24. Financial instruments (continued)

Impairment losses (continued)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses a provision matrix to calculate the ECLs. The provision matrix is established based on the Group's historically observed default rates. The Group calibrates the matrix to adjust historical credit loss experience with forward looking factors specific to debtors and the economic environment where appropriate. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset's potential for default when contractual payments are more than 120 days past due, factoring in other qualitative indicators where appropriate. Exception shall apply to financial assets that relate to entities under common controls or covered by letter of credit or credit insurance. However, in certain cases the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses project costing to assess the cash flows required for each project currently underway and entered into. Cash flow is monitored by management using rolling forecasts and annual budgets that are reviewed monthly at Board level.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2026	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	More than 6 months up to 1 year $'000	More than 1 year up to 2 years $'000	More than 2 years up to 5 years $'000	More than 5 years $'000
Non-derivative financial liabilities							
Trade and other payables	97,849	97,849	97,177	672	–	–	–
Contingent acquisition consideration	12,809	13,268	8,600	–	4,668	–	–
Lease liability	21,656	28,856	2,517	2,445	3,991	7,580	12,323
	132,314	139,973	108,294	3,117	8,659	7,580	12,323
30 June 2025							
Non-derivative financial liabilities							
Trade and other payables	90,912	90,912	90,508	404	–	–	–
Contingent acquisition consideration	15,274	16,477	4,649	–	7,839	3,989	–
Lease liability	8,215	9,656	1,906	1,456	2,398	3,073	823
	114,401	117,045	97,063	1,860	10,237	7,062	823

24. Financial instruments (continued)

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency in which they are measured. The Group has no material currency risk exposures at 30 June 2026 or 30 June 2025.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest rate risk

Profile

At the reporting date the interest rate profile of the Company's and the Group's interest-bearing financial instruments was:

	Carrying amount	
	2026 $'000	**2025** $'000
Variable rate instruments		
Financial assets	261,546	88,572

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as 2025.

	Profit or loss		Equity	
	100bp increase	**100bp decrease**	**100bp increase**	**100bp decrease**
30 June 2026	$'000	$'000	$'000	$'000
Variable rate instruments	1,855	(1,855)	–	–
Cash flow sensitivity (net)	1,855	(1,855)	–	–
30 June 2025				
Variable rate instruments	1,818	(1,818)	–	–
Cash flow sensitivity (net)	1,818	(1,818)	–	–

24. Financial instruments (continued)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities materially equates to the carrying values shown in the balance sheet.

Other Price Risk

The Group is not directly exposed to any other price risk.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group intends to make an annual distribution to shareholders in the form of fully franked dividends, subject to the Group's financial results in a given year, general business and financial conditions, the Group's taxation position, its working capital and future capital expenditure requirements, the availability of sufficient franking credits and any other factors the Board considers relevant.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

25. Investments in subsidiaries

The consolidated financial statements include the financial statements of Southern Cross Electrical Engineering Ltd and the subsidiaries listed in the following table.

		Equity Interest (%)	
	Country of Incorporation	2026	2025
Southern Cross Electrical Engineering (WA) Pty Ltd (i)	Australia	100	100
S&DH Enterprises Pty Ltd (i)	Australia	100	100
FMC Corporation Pty Ltd (i)	Australia	100	100
Southern Cross Electrical Engineering (Australia) Pty Ltd (i)	Australia	100	100
Hazquip Australia Pty Ltd (i)	Australia	100	100
Datatel Communications Pty Ltd (i)	Australia	100	100
Heyday5 Pty Ltd (i)	Australia	100	100
Heyday5 (ACT) Pty Ltd	Australia	100	100
Trivantage Holdings Pty Ltd (i)	Australia	100	100
Trivantage Group Pty Ltd (i)	Australia	100	100
Trivantage Pty Ltd (i)	Australia	100	100
S.J. Electric Group Pty Ltd (i)	Australia	100	100
S.J. Electric Group (NSW) Pty Ltd (i)	Australia	100	100
S.J. Electric Group (QLD) Pty Ltd (i)	Australia	100	100
S.J. Electric (SA) Pty Ltd (i)	Australia	100	100
S.J. Electric (VIC) Pty Ltd (i)	Australia	100	100
S.J. Electric (WA) Pty Ltd (i)	Australia	100	100
Seme Solutions Pty Ltd (i)	Australia	100	100
Group CCTV Pty Ltd (i)	Australia	100	100
Central Control Sheetmetal Pty Ltd (i)	Australia	100	100
Positive Systems Pty Ltd (i)	Australia	100	100
Ladd Electric Pty Ltd (i)	Australia	100	100
SCEE Electrical Pty Ltd (i)	Australia	100	100
MDE Group Pty Ltd (i)	Australia	100	100
Force Fire Holdings Pty Ltd (i)(ii)	Australia	100	100
Force Fire & Safety Pty Ltd (i)(ii)	Australia	100	100
Force Fire Services Pty Ltd (i)(ii)	Australia	100	100
Force Fire Pty Ltd (i)(ii)	Australia	100	100
Force Fire (QLD) Pty Ltd (i)(ii)	Australia	100	100
Force Fire (SA) Pty Ltd (i)(ii)	Australia	100	100
Brisbane Fire Protection Pty Ltd (i)(ii)	Australia	100	100
Southern Cross Electrical Engineering Ghana Pty Ltd	Ghana	100	100
Cruz Del Sur Ingeniería Electra (Peru) S.A	Peru	100	100
Southern Cross Electrical Engineering Tanzania Pty Ltd	Tanzania	100	100

(i) These wholly-owned subsidiaries have entered into a deed of cross guarantee with Southern Cross Electrical Engineering Limited pursuant to ASIC Corporations (wholly-owned companies) Instrument 2016/785 (Instrument) and are relieved of the requirement to prepare and lodge an audited financial and Directors' report.

(ii) Force Fire Holdings Pty Ltd and its subsidiaries were acquired on 1 April 2025.

The parties to the deed of cross guarantee for the Group as listed in note 25 represent a "majority group" for the purposes of the Instrument, as the parties not subject to the Instrument are dormant entities. A separate consolidated statement of comprehensive income and consolidated balance sheet of the parties to the deed of cross guarantee have not been disclosed separately as it is not materially different to those of the Group.

26. Business combination

Force Fire Holdings Pty Ltd

On 1 April 2025, the Company acquired 100% of Force Fire Holdings Ltd ("Force Fire") and its subsidiaries.

Force Fire provides end-to end fire safety solutions under two trade names, targeting different Australian states, being Force Fire which provides fire safety solutions in NSW with its office located in Newington, Sydney, and Brisbane Fire Protection which provides fire safety solutions in QLD with its office located in Newmarket, Brisbane. Force Fire and Brisbane Fire Protection offers project design & installation services; inspection and testing services and other minor works.

The initial fair value accounting for the acquisition of Force Fire was provisionally determined at the end of the previous reporting period. No material changes were made to those fair values during the current reporting period.

27. Share-based payments

(a) Expense recognised in profit or loss

Share based payments expenses for the year comprises:

		2026 $'000	2025 $'000
2026 Performance Rights	(i)	(925)	–
2025 Performance Rights	(ii)	(1,369)	(370)
2024 Performance Rights	(iii)	(3,194)	(666)
2023 Performance Rights		–	(792)
		(5,488)	(1,828)

The amount recognised is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The amount recognised is further adjusted to revalue cash-settled performance rights to their fair value at the reporting date.

Of the total share-based payment expense of $5.5m, $1.1m is recognised as an employee benefit expense (refer note 6) and $4.4m is recognised as a finance cost (refer note 9).

(i) 2026 Performance Rights

During the year Performance Rights were offered to key management personnel and senior management under the terms of the Senior Management Long Term Incentive Plan. The terms and conditions of the Performance Rights are as follows.

Grant date / employees entitled	Number of instruments	Vesting conditions	Performance period
Performance rights issued to senior management on 15 October 2025	312,820	Employed on 30 June 2028 and exceed performance hurdle	36 months
Performance rights issued to key management on 15 October 2025	594,507	Employed on 30 June 2028 and exceed performance hurdle	36 months
Total /performance rights granted	907,327		

During the year none of the 2026 Performance Rights were forfeited.

27. Share-based payments (continued)

(a) Expense recognised in profit or loss (continued)

Up to 100% of the allocated performance rights may vest, subject to the achievement of the performance conditions as set out below. The key terms of the performance rights are:

- To be performance tested over a three year period from 1 July 2025 to 30 June 2028 ("Performance Period");
- No performance rights will vest until 30 June 2028;
- Performance testing criteria are 50% against Absolute Total Shareholder Return ("TSR") performance, and 50% against Earnings Per Share ("EPS") performance; and
- Expiry on the 4th anniversary of the grant date unless an earlier lapsing date applies.

The TSR formula is:

((Share Price at Test Date – Share Price at Start Date) + (Dividends Received))/Share Price at Start Date

TSR will be assessed against targets for threshold performance of 8% per annum compounded over the Performance Period and for stretch performance of 12% per annum compounded over the Performance Period. The vesting schedule is as follows for TSR performance over the Performance Period:

Less than 8% per annum compounded	0% vesting
8% per annum compounded	50% vesting
Between 8% and 12% per annum compounded	Pro-rata vesting between 50% and 100%
At or above 12% per annum compounded	100% vesting

EPS performance will be measured in the 2028 financial year. For the purposes of performance testing the Performance Rights, EPS in the 2026 financial year will be the Basic EPS for the year, as prescribed by the accounting standards and set out in the Company's Financial Reports, adjusted to remove the following non-cash items from the calculation of profit or loss attributable to ordinary shareholders in the year, in order to reflect the company's underlying profitability:

(a) amortisation of acquired intangibles;

(b) unwinding of interest on contingent acquisition consideration payments;

(c) adjustments to the assessment of contingent acquisition consideration payable; and

(d) acquisition costs.

EPS performance in the 2028 financial year, as described above, will be assessed against targets for threshold performance of 8% compound annual growth from EPS in the 2025 financial year and for stretch performance of 12% compound annual growth from EPS in the 2025 financial year. The vesting schedule is as follows for EPS performance in the 2028 financial year:

Less than 8% compound annual growth from EPS in FY25	0% vesting
8% compound annual growth from EPS in FY25	50% vesting
Between 8% and 12% compound annual growth from EPS in FY25	Pro-rata vesting between 50% and 100%
At or above 12% compound annual growth from EPS in FY25	100% vesting

Under the terms of the LTI Plan up to 50% of vested performance rights may be exercised for cash at the participants discretion with the balance exercised for one ordinary share per vested performance right.

Where a participant ceases employment prior to the vesting of their share options or performance rights, the share options or performance rights are forfeited unless in the event of retirement, permanent disablement or death the Board, at their absolute discretion, waive the exercise and vesting conditions associated with the performance rights or allow the performance rights to continue to be assessed over the original performance assessment period. In the event of a change of control of the Company, all options and performance rights that have not lapsed may be exercised.

27. Share-based payments (continued)

(a) Expense recognised in profit or loss (continued)

(ii) 2025 Performance Rights

There were 897,985 financial year 2025 Performance Rights on issue at 1 July 2025. No 2025 Performance Rights were granted, none vested and none were forfeited during the year.

The 2025 Performance Rights will be performance tested over a three-year period from 1 July 2024 to 30 June 2027. The hurdles used to determine performance are Absolute Total Shareholder Return (TSR) and Earnings per Share (EPS) performance.

(iii) 2024 Performance Rights

There were 1,643,598 financial year 2024 Performance Rights on issue at 1 July 2025. No 2024 Performance Rights were granted, none vested and none were forfeited during the year.

The 2024 Performance Rights will be performance tested over a three-year period from 1 July 2023 to 30 June 2026. The hurdles used to determine performance are Absolute Total Shareholder Return (TSR) and Earnings per Share (EPS) performance.

(b) Measurement of fair values

(i) Equity-settled share-based payment arrangements

The fair value of the equity-settled TSR Performance Rights has been measured using the Monte-Carlo simulation. The equity-settled EPS Performance Rights have been measured using the Binomial Tree Methodology.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

The performance rights issued were granted as follows:

	2026	2025	2025
Grant date	15 October 2025	31 October 2024	2 May 2025
Vesting date	30 June 2028	30 June 2027	30 June 2027
Share price at grant date	$2.28	$1.63	$1.83
Expected life	2.7 years	2.7 years	2.0 years
Volatility	34%	30%	30%
Risk free interest rate	3.48%	4.06%	3.23%
Dividend yield	4.4%	4.7%	5.1%
Fair value of TSR component	$1.38	$0.64	$0.85
Fair value of EPS component	$2.02	$1.44	$1.65

(ii) Cash-settled share-based payment arrangements

Cash-settled share-based payment arrangements are fair valued at each reporting date.

For the 2024 Performance Rights, which were performance tested at 30 June 2026 and for which the performance conditions have been met, the fair value is deemed to be the share price at the balance date which was $4.86.

For the remaining plans, the fair value of the cash-settled TSR Performance Rights has been measured using the Monte-Carlo simulation. The cash-settled EPS Performance Rights have been measured using the Binomial Tree Methodology.

The inputs used in the measurement of the fair values at 30 June 2026 of the cash-settled share-based payment plans were as follows:

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27. Share-based payments (continued)

(b) Measurement of fair values (continued)

(ii) Cash-settled share-based payment arrangements (continued)

	2026 Performance Rights	2025 Performance Rights
Vesting date	30 June 2028	30 June 2027
Share price at valuation date	$4.86	$4.86
Expected life	2 years	1 year
Volatility	36%	36%
Risk free interest rate	4.45%	4.54%
Dividend yield	4.2%	4.2%
Fair value of TSR component	$4.36	$4.64
Fair value of EPS component	$4.47	$4.66

(c) Reconciliation of outstanding performance rights

The number of performance rights under the programmes were as follows:

	2026 Number of rights	2025 Number of rights
Outstanding at 1 July	4,343,757	4,538,890
Granted during the year	907,327	897,985
Exercised during the year (i)	(1,802,174)	(1,093,118)
Forfeited or withdrawn during the year	–	–
Outstanding at 30 June	3,448,910	4,343,757
Vested and exercisable at 30 June	–	–

(i) The performance rights exercised during the year were the financial year 2023 Performance Rights which were performance tested on finalisation of the 2025 financial year results with 100% of these performance rights vesting. Included in the total are 601,087 performance rights which were exercised for cash.

Subsequent to 30 June 2026, the vesting conditions in respect of the 2024 Performance Rights have been performance tested and it has been determined that all 1,643,598 of the 2024 Performance Rights have vested.

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28. Reconciliation of cash flows from operating activities

	2026 $'000	2025 $'000
Profit for the year	**7,065**	**31,670**
Adjustments for:		
Depreciation and amortisation	12,648	8,947
Profit on sale of property, plant and equipment and other	(394)	(96)
Equity-settled share-based payment transactions	1,132	904
Remeasurement of cash-settled share-based payments	4,356	923
Fair value of deferred consideration changes	1,315	(717)
Contingent acquisition interest	910	421
Other	-	(1)
(Increase)/decrease in assets:		
Trade and other receivables	10,779	17,858
Inventories	(755)	372
Prepayments	488	(138)
Deferred income tax	(4,521)	(7,380)
Increase/(decrease) in liabilities:		
Trade and other payables	37,548	14,858
Provisions and employee benefits	511	2,609
Income tax payable	(4,370)	(5,439)
Net cash from operating activities	**66,712**	**64,791**

29. Contingencies

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

Bank Guarantees and Surety Bonds	103,907	115,186

Bank Guarantees and Surety Bonds are provided to customers for safeguarding contract performance. Total bank guarantee facilities at 30 June 2026 were $99.6 million (2025: $74.7 million) and the unused portion was $46.1 million (2025: $11.0 million). These facilities are subject to annual review. Total surety bonds facilities at 30 June 2026 were $116.0 million (2025: $116.0 million) and the unused portion was $65.6 million (2025: $64.5 million). These facilities are subject to annual review. The Group is restricted to drawing down at any one time to a maximum capacity of $200.0 million (2025: $150.0 million) combined across its bank guarantee and bond facilities meaning there was a headroom of bank guarantee and surety bond capacity of $96.1 million at 30 June 2026 (2025: $34.8 million). All facilities are set to mature by 30 June 2027. It is management's intention to review these facilities at maturity so as to maintain a level appropriate to support the ongoing business of the Group.

Other contingent liabilities

The Group is currently managing a number of claims in relation to construction contracts. The directors are of the opinion that disclosure of any further information relating to these would be prejudicial to the interests of the Group.

30. Subsequent events

Dividend declared

On 18 August 2026 the Directors of Southern Cross Electrical Engineering Limited declared a final dividend on ordinary shares in respect of the 2026 financial year. The total amount of the dividend is $23.0 million, which represents a fully franked final dividend of 7.5 cents per share. This dividend has not been provided for in the 30 June 2026 financial statements. The Southern Cross Electrical Engineering Limited Dividend Reinvestment Plan will apply to the dividend.

Otherwise, there are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

31. Auditor's remuneration

Remuneration of KPMG Australia as the auditor of the parent entity for:

	2026 $	2025 $
- Auditing or reviewing the financial report	641,100	590,720
- Assurance over sustainability report	55,000	-
- Other	15,000	-
	711,100	590,720

For the financial year ending 30 June 2026, the auditor for the Group is engaged by the parent company.

32. Parent entity disclosures

As at, and throughout, the financial year ending 30 June 2026 the parent company of the consolidated entity was Southern Cross Electrical Engineering Limited.

	2026 $'000	2025 $'000
Result of the parent entity		
Profit for the period	34,951	27,465
Total comprehensive profit for the period	34,951	27,465
Financial position of parent entity at year end		
Current assets	212,862	48,533
Total assets	408,528	244,499
Current liabilities	(99,434)	(94,315)
Total liabilities	(107,258)	(106,118)
Total equity of the parent entity comprising:		
Share capital	266,646	118,961
Reserves	697	514
Accumulated profits	33,927	18,906
Total Equity	301,270	138,381

Parent entity contingencies:

The parent entity has contingent liabilities which are included in note 29. At 30 June 2026, there were in existence guarantees of performance of a subsidiary.

33. Related parties

Transactions with key management personnel

(i) Key management personnel compensation

Key management personnel compensation comprised the following:

	2026 $'000	2025 $'000
Short-term employee benefits	2,885	2,484
Long-term employee benefits	1	7
Post-employment benefits	124	110
Share-based payments	4,336	1,538
	7,346	4,139

Compensation of the Group's key management personnel includes salaries, short term incentives and non-cash benefits from a long-term incentive scheme (see note 27 (a)(i)).

34. Material accounting policies

The accounting policies applied by the Group in this financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2026.

The Group did not early adopt any standard, interpretation or amendment that has been issued but is not yet effective.

The Group did not adopt any new standard and amendments or interpretation to standards from 1 July 2025 which had a material effect on the financial position or performance of the Group.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investments to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

34. Material accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. Income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

(c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(d) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises non-derivative financial assets on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

34. Material accounting policies (continued)

(d) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

The Group has the following non-derivative financial assets:

- Financial assets at amortised cost
- Cash and cash equivalents

Financial assets at amortised cost

- Financial assets at amortised cost are receivables with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment losses.
- Financial assets at amortised cost comprise trade and other receivables (see note 13).

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

The Group's non-derivative financial liabilities comprise Lease liability, Contingent acquisition consideration and Trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and performance rights are recognised as a deduction from equity, net of any tax effects.

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised as part of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "Other income" in profit or loss.

34. Material accounting policies (continued)

(e) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight line or diminishing value basis over the estimated useful life of each part of an item of property, plant and equipment, depending on which method most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leasehold assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	40 years
Leasehold improvements	3 – 40 years
Plant and equipment	2 – 20 years
Motor vehicles	2 – 10 years
Office furniture and fittings	2 – 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(f) Intangible assets

(i) Goodwill

Goodwill is measured at cost less accumulated impairment losses. The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

34. Material accounting policies (continued)

(f) Intangible assets (continued)

(iv) Amortisation

Amortisation is calculated over the cost of the asset, or another amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current period are as follows:

	2026	2025
• Customer contracts	1 – 5 years	1 – 5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(g) Leases

The Group recognises lease assets and lease liabilities for its leases other than those leases with short-term, i.e. twelve months or less, and/or of low-value, i.e. less than $7,000.

Leased assets

The right-of-use asset recognised by the Group comprise the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received and any direct costs. Costs incurred by the Group to dismantle the asset, restore the site or restore the asset are included in the cost of the right-of-use asset.

Subsequently, right-of-use asset is measured at cost less any accumulated amortisation and impairment losses and adjusted for certain remeasurements of the lease liability. The Group amortises the right-of-use assets on a straight-line basis from the lease commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is earlier.

If the recoverable amount of a right-of-use asset is less than its carrying value, an impairment charge is recognised in the profit or loss and the carrying value of the asset is written down to its recoverable amount.

Short-term or low-value operating leases subject to recognition exemption under AASB 16 are not recognised in the Balance Sheet. The costs incurred during the period related to these leases are recognised in the profit or loss.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is separately disclosed on the statement of financial position. The liabilities which will be repaid within twelve months are recognised as current and the liabilities which will be repaid in excess of twelve months are recognised as non-current. The lease liability is subsequently measured by reducing the balance to reflect the principal lease repayments made and increasing the carrying amount by the interest on the lease liability.

The Group remeasures the lease liability and makes an adjustment to the right-of-use asset in the following instances:

- The term of the lease has been modified or there has been a change in the Group's assessment of the purchase option being exercised, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or

34. Material accounting policies (continued)

(g) Leases (continued)

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- The lease payments are adjusted due to changes in the index or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

However, if a change in lease payments is due to a change in a floating interest rate, a revised discount rate is used.

Lease and non-lease components of a contract are accounted for separately. Non-lease components of the lease payments are expensed as incurred and are not included in determining the present value.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional periods. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew and considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Contract assets

Contract assets represents construction work equal to the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date (note 34(m)) less progress billings and recognised losses. Cost includes all expenditure related directly to projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

If payments received from customers exceed the income recognised, then the difference is presented as contract liabilities in Trade and other payables on the balance sheet.

Payments from customers are received based on a billing schedule or milestone basis, as established in our contracts.

(j) Impairment

(i) Financial assets

A financial asset not carried at fair value through the profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

34. Material accounting policies (continued)

(j) Impairment (continued)

(i) Financial assets (continued)

Objective evidence that a financial asset (including equity securities) is impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security.

The Group considers evidence of impairment for receivables at both a specific asset level and collective level (see note 24). All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current forward-looking economic and credit conditions are such that actual losses are likely to be greater or less than suggested by historical trends (see note 24).

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (a "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to the cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised based on cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the units on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

34. Material accounting policies (continued)

(k) Employee benefits

(i) Long-term benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. These benefits are then discounted to determine their present value. The discount rate is the yield at the reporting date on high quality corporate bonds or government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed using the Projected Unit Credit Method.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Share-based payment transactions

The fair value of equity-settled performance rights granted to employees is recognised at grant date as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the performance rights and share options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of cash-settled performance rights granted to employees is recognised at grant date as an employee expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each subsequent reporting date and at settlement date based on its fair value at that date. Any changes in the liability arising from these subsequent remeasurements are recognised in profit or loss as finance income or expense.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

34. Material accounting policies (continued)

(m) Revenue

Revenue recognition accounting policy

The Group applies two approaches to recognising revenue to contracts with customers: either at a point in time or over time, depending on the manner the customer obtains control of the goods or services. Revenue is recognised over time if one of the following is met:

- The customer simultaneously receives and consumes the benefits as the Group performs;
- The customer controls the asset as the Group creates or enhances it; or
- The Group's performance does not create an asset for which the Group has an alternative use and there is a right to payment for the performance to date.

Revenue from contracts is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the group expects to be entitled in exchange for the goods or services. The following are the steps in determining revenue from contracts as prescribed by the Five (5) Step Revenue Recognition Model introduced by AASB 15:

1) Identify the contract(s) with a customer
2) Identify the performance obligations in the contract
3) Determine the transaction price
4) Allocate the transaction price to the performance obligations in the contract
5) Recognise revenue when (or as) the entity satisfies a performance obligation

Judgement is required in determining the timing of the transfer of control, at a point in time or over time, as well as in each of the five enumerated steps in the revenue recognition model above.

(i) Construction revenue

Construction contracts are assessed to identify the performance obligations contained in the contract. The total transaction price is allocated to each individual performance obligation. The Group's construction contracts may often contain a single performance obligation.

The benefits being provided by the Group's construction work transfer to the customer as the work is performed and as such revenue is recognised over the duration of the project based on percentage complete. Percentage complete is generally measured according to the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs (input method). Significant judgement is required to estimate total contract costs. If the input method would not be representative of the stage of completion, then it is measured by reference to surveys of work performed (output method).

When it is probable that total contract costs will exceed total contract revenue, the unavoidable loss is recognised as an expense immediately.

Customers are typically invoiced on a monthly basis and invoices are paid on normal commercial terms.

(ii) Services revenue

The Group performs maintenance and other services for a variety of different sectors. Typically, under the performance obligations of a service contract, the customer consumes and receive the benefit of the service as it is provided.

Performance obligations are fulfilled over time as the Group largely performs maintenance over the assets which the customer controls. Customers are typically invoiced monthly for an amount that is calculated on either a schedule of rates or a cost-plus basis.

34. Material accounting policies (continued)

(m) Revenue (continued)

(iii) Contract modifications

Revenue in relation to modifications, such as a change in the scope or price (or both) of the contract, are to be included in the contract price when it is approved by the parties to the contract and the modification is enforceable. Approval of a contract modification can be in writing, by oral agreement or implied by customary business practices.

Revenue estimated and recognised in relation to claims and variations is only included in the contract price to the extent that it is highly probable that a significant reversal in the amount recognised will not occur.

In making this assessment the Group considers a number of factors, including the nature of the claim, formal or informal acceptance by the customer of the validity of the claim, the stage of negotiations, assessments by independent experts and the historical outcome of similar claims to determine whether the enforceable and "highly probable" thresholds have been met.

(iv) Performance obligations

Revenue is allocated to each performance obligation and recognised as the performance obligation is satisfied which may be at a point in time or over time.

AASB 15 requires a detailed and technical approach to identify the different revenue streams (i.e. performance obligations) in a contract. This is done by identifying the different activities that are being undertaken and then aggregating only those where the different activities are significantly integrated or highly interdependent. Revenue is to be continuously recognised, on certain contracts over time, as a single performance obligation when the services are part of a series of distinct goods and services that are substantially integrated with the same pattern of transfer.

The term over which revenue may be recognised is limited to the period for which the parties have enforceable rights and obligations. When the customer can terminate a contract for convenience (without a substantive penalty), the contract term and related revenue is limited to the termination period.

The Group has elected to apply the practical expedient to not adjust the total consideration over the contract term for the effect of a financing component if the period between the transfer of services to the customer and the customer's payment for these services is expected to be one year or less.

(v) Variable consideration

Variable consideration includes performance or other incentive fees or penalties associated with contracts. If the consideration in the contract includes a variable amount, the Group estimates the amount of the consideration to which it is entitled in exchange for transferring the goods and services to the customer. The variable consideration is estimated at contract inception and constrained to the extent that it is highly probable that a significant reversal in the amount recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

All revenue is stated net of the amount of goods and services tax (GST).

(n) Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, bank charges and lease payments. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

Foreign currency gains and losses are reported on a net basis.

Remeasurement of cash-settled share-based payments are recognised as a finance expense.

34. Material accounting policies (continued)

(o) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Tax consolidation

Southern Cross Electrical Engineering Limited has formed a tax consolidated group. The head entity, Southern Cross Electrical Engineering Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate members of the tax consolidated group.

(p) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(q) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise performance rights and share options granted to employees.

34. Material accounting policies (continued)

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's components. All operating segments' operating results are reviewed regularly by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(s) Financial guarantees

Financial guarantee contracts are initially measured at their fair values and subsequently measured at the higher of:

- the loss allowance determined in accordance with AASB 9 Financial Instruments; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with AASB 15 Revenue from Contracts with Customers.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

(t) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum at the acquisition-date of the fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

34. Material accounting policies (continued)

(t) Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 9 Financial Instruments, or AASB 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(u) Government grants

Government grants are recognised only when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

(v) New standards and interpretations issued but not yet effective

The new standards and amendments to standards and interpretations effective for annual reporting periods beginning after 30 June 2026, such as those disclosed below, have not been applied in preparing these consolidated financial statements. The Group intends to adopt these new standards and amendment to standards and interpretations, if applicable, when they become effective:

34. Material accounting policies (continued)

(v) New standards and interpretations issued but not yet effective (continued)

Amendments to Australian Accounting Standards:

AASB 2014-10	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
AASB 2024-2	*Classification and Measurement of Financial Instruments*
AASB 2024-3	*Annual Improvements Volume II*
AASB 2026-1	*Disclosures about Uncertainties in the Financial Statements*
AASB 18	*Presentation and Disclosure in Financial Statements*

The Group has yet to determine the likely impact of these new standards and amendments to standards.

35. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of items of plant, equipment, fixtures and fittings are determined using market comparison technique and cost technique. The valuation model considers quoted market prices for similar items when available and depreciated replacement cost when appropriate.

(ii) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of disposal including a reasonable profit margin for the selling effort.

(iii) Trade and other receivables

The fair value of trade and other receivables acquired in a business combination, including contract asset as well as service concession receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(iv) Non-derivative financial liabilities

Fair value, if required for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

(v) Share-based payment transactions

The fair value of employee performance rights and share options is measured using an appropriate pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(vi) Customer contracts and relationships

The fair value of customer contracts and relationships acquired in a business combination is estimated as the present value of future cash flows, discounted at the market rate of interest at the acquisition date.

Consolidated Entity Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Body Corporate, Partnership or Trust	Country of Incorporation	Equity Interest (%)	Australian or Foreign Tax Resident	Jurisdiction for Foreign Tax Resident
Southern Cross Electrical Engineering Limited	Body Corporate	Australia	100	Australia	N/A
Southern Cross Electrical Engineering (WA) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
S&DH Enterprises Pty Ltd	Body Corporate	Australia	100	Australia	N/A
FMC Corporation Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Southern Cross Electrical Engineering (Australia) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Hazquip Australia Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Datatel Communications Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Heyday5 Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Heyday5 (ACT) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Trivantage Holdings Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Trivantage Group Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Trivantage Pty Ltd	Body Corporate	Australia	100	Australia	N/A
S.J. Electric Group Pty Ltd	Body Corporate	Australia	100	Australia	N/A
S.J. Electric Group (NSW) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
S.J. Electric Group (QLD) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
S.J. Electric (SA) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
S.J. Electric (VIC) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
S.J. Electric (WA) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Seme Solutions Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Group CCTV Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Central Control Sheetmetal Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Positive Systems Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Ladd Electric Pty Ltd	Body Corporate	Australia	100	Australia	N/A
SCEE Electrical Pty Ltd	Body Corporate	Australia	100	Australia	N/A
MDE Group Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Force Fire Holdings Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Force Fire & Safety Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Force Fire Services Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Force Fire Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Force Fire (QLD) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Force Fire (SA) Pty Ltd	Body Corporate	Australia	100	Australia	N/A
Southern Cross Electrical Engineering Ghana Pty Ltd	Body Corporate	Ghana	100	Foreign	Ghana
Cruz Del Sur Ingeniería Electra (Peru) S.A	Body Corporate	Peru	100	Foreign	Peru
Southern Cross Electrical Engineering Tanzania Pty Ltd	Body Corporate	Tanzania	100	Foreign	Tanzania

Consolidated Entity Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2026

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

- Foreign tax residency

  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Directors’ Declaration

1. In the opinion of the directors of Southern Cross Electrical Engineering Limited (the “Company”):

    a. The consolidated financial statements and notes, and the Remuneration report in the Directors’ Report, are in accordance with the Corporations Act 2001, including:

        i. giving a true and fair view of the Group’s financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

        ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

    b. the Consolidated entity disclosure statement as at 30 June 2026 set out on page 83 to the consolidated financial report is true and correct; and

    c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the managing director and chief financial officer for the financial year ended 30 June 2026.

3. At the date of this declaration, there are reasonable grounds to believe that the Company and the group entities identified in Note 25 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

4. The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

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

Signed in accordance with a resolution of the directors:

Karl Paganin

Chairman
18 August 2026

Independent Audit Report

TO THE MEMBERS OF SOUTHERN CROSS ELECTRICAL ENGINEERING LIMITED

Independent Auditor's Report

To the shareholders of Southern Cross Electrical Engineering Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Southern Cross Electrical Engineering Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises

- Consolidated balance sheet as at 30 June 2026
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards.* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Recognition of Contract Revenue; and
- Valuation of Goodwill

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of Contract Revenue ($718.7 million)

Refer to Note 4 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Recognition of Contract revenue is a key audit matter due to the: • Significance of revenue to the financial statements; and • Large number of customer contracts with numerous estimation events that may occur over the course of the contract's life. This results in complex and judgemental revenue recognition from rendering of services and construction contracts. Therefore, significant audit effort is required to gather sufficient appropriate audit evidence for revenue recognition. We focused on the Group's assessment of the following elements of revenue recognition for rendering of services and construction contracts, as applicable: • The Group's determination of contractual entitlement and assessment of the probability of customer approval of changes in scope and/or price. The Group's consideration of the enforceability or approval of the modification of the terms of a contract may include evidence that is written, oral, or implied by customary business practice and may include involvement from the Group's legal, time and cost experts. The Group's determination of modifications requires a degree of judgement and can drive different accounting treatments, increasing the risk of inappropriately recognising revenue;	Our procedures included: • We assessed the appropriateness of the Group's accounting policies related to revenue recognition against the requirements of the accounting standard and our understanding of the business and industry practice; • We read key contracts and other underlying documentation such as customer correspondence to evaluate the inputs to the Group's calculation of revenue; • We tested a sample of revenue transactions by checking it to underlying documentation to assess the satisfaction of the performance obligations; • We tested a sample of unbilled contract assets to underlying documentation to assess the satisfaction of the performance obligations; • For key contracts where revenue is recognised on a percentage of completion basis, we assessed the total expected cost estimates by (1) obtaining an understanding of the activities required to complete the customer contract from the Group's contract teams, (2) analysing the costs of those activities compared to recent project cost trends and prices, (3) testing a sample of committed expenditure to underlying documentation, and (4) using our knowledge of the contract characteristics to challenge the completeness of costs and activities;

KPMG

• Estimating total expected costs at initiation of the customer contract, which have a high level of estimation uncertainty; and • Revisions to total expected costs for certain events or conditions that occur during the performance of the contract, or are expected to occur to complete the customer contract, which is difficult to estimate.	• We evaluated the Group's assessment of when a modification to the contract scope and/or price for variations and claims is approved and enforceable. This included assessing the recognised modifications against the underlying records, legal documents, and customer correspondence; • We assessed the Group's estimation of variations and claims by comparing underlying evidence such as customer correspondence and reports from the Group's time and cost experts (where applicable) for consistency with contract terms. For a sample of contracts, we compared the recalculated revenue by us, including contract modifications against the amounts recorded by the Group; • We evaluated the Group's ability to recover outstanding variation and claim amounts not yet settled with a sample of customers by assessing the status of contract negotiations, historical recoveries and expert reports obtained by the Group; • We tested significant credit notes recognised post year end to check the Group's recognition of revenue in the correct period; and • We assessed the appropriateness of the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

KPMG

<table>
<tr><th colspan="2">Valuation of Goodwill ($153.8 million)</th></tr>
<tr><td colspan="2">Refer to Note 18 to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The Group's annual testing of Goodwill for impairment is a key audit matter due to the size of the balance, being 25% of total assets. We focused on the significant forward-looking assumptions the Group applied in their value in use models for the SCEE Electrical, Heyday, Force Fire and Trivantage cash generating units (CGUs), including:
Forecast revenue, margins, growth rates and terminal growth rates, as the Group's valuation models are sensitive to changes in these assumptions, which could reduce or remove available headroom, and increases the possibility of goodwill being impaired. This drives additional audit effort specific to their feasibility within the Group's strategy. Discount rates, these are complicated in nature and vary according to the conditions and environment the specific CGUs are subject to from time to time. The Group's modelling is sensitive to changes in the discount rate. We involve our valuation specialists with the assessment.</td><td>Our procedures included:
Considering the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards;
Assessing the integrity of the value in use models used, including the accuracy of the underlying calculation formulas;
Challenging the feasibility of the Group's revenue and margin assumptions within the forecast cash flows in light of varying competitive conditions in the markets in which the Group operates. We compared revenue growth rates and terminal growth rates to historical trends, published studies of industry trends and expectations, and considered differences for the Group's operations. We further assessed forecast revenue against the secured contract value of work for those respective years and the level of secured work at similar times in previous years. We used our knowledge of the Group, their past performance, business and customers, and our industry experience;
Comparing the forecast cash flows contained in the value in use models to Board approved forecasts;
Assessing the accuracy of previous Group forecasting to inform our evaluation of forecasts included in the value in use models. We applied increased scepticism to current period forecasts in areas where previous forecasts were not achieved and/or where future uncertainty is greater or volatility is expected;
Considering the sensitivity of the models by varying key assumptions, such as forecast revenue, margins, terminal growth rates and discount rates, within a reasonable possible range. We did this to identify those CGUs with a higher risk of impairment and to focus our further procedures;</td></tr>
</table>

KPMG

	• Working with our valuation specialists, we independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in; and • We assessed the Group's disclosures of the quantitative and qualitative considerations in relation to the valuation of goodwill, by comparing these disclosures in the financial report using our understanding obtained from our testing and the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Southern Cross Electrical Engineering Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate . This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Southern Cross Electrical Engineering Limited for the year ended 30 June 2026, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 27 to 34 of the Directors' report for the year ended 30 June 2026.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Derek Meates

Partner

Perth

18 August 2026

Lead Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

KPMG

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

To the Directors of Southern Cross Electrical Engineering Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report and the review of specified sustainability disclosures in the sustainability report of Southern Cross Electrical Engineering Limited for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and review; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

KPMG

KPMG

Derek Meates
Partner
Perth
18 August 2026

Sustainability Report

CLIMATE RELATED FINANCIAL DISCLOSURES – FOR THE YEAR ENDED 30 JUNE 2026

Basis of Preparation

Reporting Framework and Scope

This Sustainability Report – Climate Related Financial Disclosures ("Sustainability Report") has been prepared for Southern Cross Electrical Engineering Limited and its subsidiaries ("SCEE" or "the Group") for the year ended 30 June 2026. It aligns with the reporting period of the Group's consolidated financial statements.

The climate-related financial disclosures in this Sustainability Report relate to the Group's consolidated financial statements for the year ended 30 June 2026. It covers the same reporting entity as the consolidated financial statements, and aligns with the reporting period of the Group's consolidated financial statements. Information in the Annual Report referred to in this report, or contained in a note to this report, forms part of, and is to be read in conjunction with, this Sustainability Report. The currency for any dollar values presented in this report is AUD, which aligns to the currency presented in the Group consolidated financial statements.

The Sustainability Report has been prepared in accordance with AASB S2 Climate-related Disclosures (AASB S2), the mandatory Australian Sustainability Reporting Standard issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

As this is the first year in which the Group has applied AASB S2, it has applied the following transition reliefs for the first annual reporting period:

- not to disclose comparative information in this report; and
- not to disclose Scope 3 Greenhouse Gas emissions.

Governance

Board Oversight

The Board of Directors has ultimate responsibility for the oversight of the Group's governance framework, including oversight of climate related risks and opportunities ("CRRO").

Consistent with the Board Charter, the Board determines the Group's risk profile and oversees the effectiveness of the Group's risk management framework, internal controls and corporate reporting.

The Board Charter expressly identifies climate-related risks as falling under the scope of the Group's risk management framework. Accordingly, climate-related risks are treated consistently with the Group's broader business risks. The Board receives updates on the Group's significant business risks at least twice a year through management reporting to the Board.

The Board considers the Group's significant business risks, which may include climate-related risks if relevant, in their oversight of strategy, capital allocation and major transactions through the Group's existing investment approval, due diligence and risk review processes.

The Board receives updates on the Group's opportunities, including climate-related opportunities where significant, monthly as part of the operations and business development reporting by the Group's businesses. Near-term opportunities are included in budgets and financial forecasts prepared by the Group's businesses. Opportunities over the medium to long-term are considered by the Board in setting and reviewing the Group's strategic direction.

Where necessary, trade-offs between climate-related risks and opportunities may be considered in connection with other business risks and opportunities.

This is the Group's first Sustainability Report. The Board are responsible for approving the Sustainability Report annually, and therefore will also review climate-related risks and opportunities at least once a year as part of the review of the Sustainability Report.

Governance (continued)

The Board considered whether appropriate skills and competencies are available to oversee climate-related risks and opportunities as part of its annual evaluation and is satisfied that it has the necessary skillset to fulfil its reporting obligations under the Corporations Act. During the year the Board received training materials on the climate-related disclosure regime and will continue to receive updates as required to ensure this remains the case. Having regard to the current year assessment of climate-related risks and opportunities and the associated scenario analysis, the Board has not identified a need for additional climate-specific competencies at the present time.

Audit and Risk Management Committee

The Board has delegated responsibility for monitoring the effectiveness of the Group's risk management framework to the Audit and Risk Management Committee.

The Audit and Risk Management Committee Charter expressly identifies climate-related risk as part of the Group's potentially significant risk exposures that the Committee must maintain an up-to-date understanding of and monitor management's response to.

The Committee reviews management's assessment of the Group's significant business risks, which may include climate-related risks and opportunities where relevant, and the effectiveness of the risk management framework at least twice a year and reports its findings to the Board.

The Committee are responsible for reviewing the Sustainability Report annually before recommending approval to the Board. As part of this review, the Committee considers management's assessment of climate-related risks and opportunities, including the outcomes of scenario analysis.

Role of Management

The Managing Director and executive management team are responsible for implementing the Board's risk management framework across the Group and ensuring significant business risks are identified, assessed, managed and reported appropriately. The risk management framework identifies climate-related risks as falling under its scope.

Management applies controls and procedures to support oversight of climate-related risks and opportunities, which are aligned to the controls and procedures to support oversight of overall business risks and described in more detail in the Risk Management Section. These include maintenance of the Group risk register; review of risk ratings, controls and action plans; management review of scenario analysis; preparation and review of emissions data; and escalation of relevant matters to the Audit and Risk Management Committee and the Board through established reporting processes.

Management is responsible for preparing the Sustainability Report and coordinating internal review of the information presented. Climate-related reporting controls include data owner review of activity data, management review of emissions calculations and assumptions, assessment of consistency between climate-related disclosures and the consolidated financial statements, and Audit and Risk Management Committee review before Board approval.

Risk Management

Identification and Assessment of Climate Related Risks and Opportunities

Climate related risks are considered under the Group's risk management framework. Discussion of the identification and assessment process in the current year is included in the Climate-Related Risks and Opportunities section of this report.

Oversight and Reporting of Climate Related Risks

Oversight of climate related risk management is delegated to the Audit and Risk Management Committee in accordance with its Charter.

A register of the Group's most significant business risks is updated by management and reported to the Audit and Risk Management Committee and subsequently to the Board at least twice a year.

Monitoring and management of Climate Related Risks

Should significant climate related risks be identified, they will be monitored and managed using the Group's overall risk management framework and operational practices with responsibility delegated to the Managing Director and executive management team, with oversight by the Audit and Risk Management Committee and the Board as described in the Governance section of this Report.

No climate specific mitigation or management measures were required or implemented in the current year, but the requirement for any such measures will be re-assessed each future reporting period.

Processes for climate-related opportunities

Climate-related opportunities are identified, assessed, monitored and managed as part of the Group's broader strategy, business planning, business development and tendering processes. Opportunity feasibility is considered having regard to the Group's existing capabilities, customer demand, project pipeline, competitive position and capital requirements. The targeting of identified opportunities may also be a catalyst to expand the Group's capabilities or geographic footprint either organically or through acquisition.

Climate scenario analysis was used as an input to assess the Group's exposure to each identified climate-related opportunity.

Climate-Related Risk and Opportunity Assessment

SCEE is a leading national provider of specialised electrical, instrumentation, communications, security, fire, maintenance, and manufacturing services, serving the infrastructure, commercial, and resources sectors. Its growth strategy focuses on deepening its presence in these markets, expanding maintenance and service-based revenue, and enhancing geographic reach and capabilities through both organic growth and targeted acquisitions, while maximising cross-selling opportunities across its increasingly diversified operations and capitalising on the growing electrification of the Australian and global economies.

Time Horizons

The Group applies the following time horizons when assessing climate related risks and opportunities and performing scenario analysis:

- **Short term:** up to 1 year
- **Medium term:** 1 to 3 years
- **Long term:** up to 10 years

These time horizons are consistent with the Group's broader strategic planning processes, including budgeting and business planning horizons. These time horizons were also applied when performing the climate scenario analysis for the Group.

Climate Related Risks and Opportunities

Climate-related risks and opportunities relevant to the Group's strategy and delivery model were identified using the Group's existing risk identification and assessment processes. Inputs into the process included industry benchmarking, internal management discussion, and the outputs of climate scenario analysis performed. These were screened across short, medium and long-term horizons using a combination of qualitative and quantitative factors, including potential impacts on revenue, operating costs, capital expenditure, asset values, supply chain disruption, insurance availability and financing, in addition to consideration of sensitivity to temperature pathways, policy changes and market demand. Management assessed both the magnitude of potential impacts and the likelihood of occurrence across the relevant time horizons. Climate scenario analysis was considered as an input into this process, and the scope of Group operations considered in the climate risk and scenario analysis assessment is described in more detail in the Scenario Analysis section of the report.

The current year assessment reflects the Group's position as a provider of products and services that are highly leveraged to the energy transition, particularly our electrical capabilities, and of essential and/or non-discretionary services such as fire, security and communications. The decarbonisation of the economy is viewed as a net driver of demand for the Group's services rather than a threat to them. Our work is delivered predominantly through short to medium-term contracts allowing for cost increases to generally be passed on to clients as tenders are priced with current cost information.

Because the Group primarily provides services to clients rather than owning the underlying assets, its exposure to climate-related risks differs from that of asset owners and high-emitting industries. Many climate-related risks therefore directly affect client-owned assets and operations, while the Group's exposure is generally indirect, including potential impacts on project schedules, costs, productivity and demand for its services.

Based on this assessment, extreme weather events were identified as a climate-related risk relevant to the Group's operations and workforce, primarily through potential disruption to service delivery at client sites.

Two climate-related opportunities, relating to a potential increased volume of work arising from Australia's energy transition, and data centres moving towards incremental or self-sufficient energy supply under a low emissions scenario, were also identified.

Climate-Related Risk and Opportunity Assessment (continued)

Physical risk: Extreme weather events

Description of risk
Extreme weather events may occur over the short, medium and long-term.

Extreme weather events could include cyclones and severe storms; riverine and coastal flooding; bushfires; extreme rainfall variability; heatwaves and extreme heat (including worker safety and productivity impacts.

Extreme weather events could temporarily suspend or slow work at client sites, restrict site access, impose safe-work limits (for example heat-related work stoppages), or damage client assets on which the Group is engaged, deferring or interrupting the Group's activity and reducing labour productivity.

Mitigations and adaptations
The Group performs work at client sites, including in regions that routinely experience cyclones, extreme heat and heavy rainfall. However, the assets exposed to damage are owned by clients, not the Group. The Group's exposure is limited to temporary productivity and schedule effects on its labour force at some of its locations, which are generally mitigated through weather allowances built into tender submissions and contracts based on historic expectations and site specific considerations in line with normal industry practice, and through established heat and severe-weather safe-work procedures that are standard in the sectors in which the Group operates. The Group also has its own safe-work procedures which are adhered to by all employees working at client sites, which mitigates the exposure of the Group's employees to the effects of extreme weather.

Financial effects
Extreme weather events had no material impact on the Group's financial position, financial performance and cash flows for the reporting period, and no significant risk of adjustment as a result of this risk has been identified for the next reporting period.

Modelling and estimation of future climate impacts on the Group has been performed over the time horizons using scenario modelling and shows only minor escalation in temperatures and precipitation in the Group's main operating locations over the long-term 10-year time horizon.

The estimated exposure of the Group to the possible increase in weather disruption as a result of this minor change in climate was modelled and was not assessed to be financially material on an annual basis across each of the short, medium and long term time horizons on even an unrecovered basis. In practice as climate changes the Group would anticipate adjusting its tender and contractual weather allowances accordingly in an effort to mitigate any increased exposure.

The financial statement line items that could be affected if the risk is realised and unmitigated include contract revenue, contract expenses, profit before tax and operating cash flows.

Transition opportunity 1: Increased volume of work arising from Australia's energy transition

Description of opportunity
Australia's energy transition, including the decarbonisation of the electricity system, electrification of transport, industry and buildings, and deployment of renewable generation, storage and associated network, communications and control infrastructure, and the mining of transition-critical commodities, has the potential to expand the addressable market for the Group's specialised electrical services and products beyond current forecasts.

As a provider and manufacturer of specialised electrical services and products, and with significant renewable energy experience, the Group is well positioned to support Australia's energy transition. The volume of work delivered by the Group during this transition has the potential to exceed current forecasts.

The opportunity is expected to present in its most significant form over the medium to long-term and is significantly enhanced under the Group's low emissions scenario. Achieving outcomes consistent with this scenario is expected to require significant policy intervention to accelerate the energy transition and the deployment of energy efficiency, electrification and low emissions technologies across multiple sectors. The Group anticipates that sustained policy action in support of an accelerated energy transition would drive a financially material expansion of the Group's addressable market and opportunity pipeline.

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Climate-Related Risk and Opportunity Assessment (continued)

Transition opportunity 1: Increased volume of work arising from Australia's energy transition (continued)

Specific demand channels within this opportunity include the design and construction of new renewables projects, decarbonisation programs of the Group's existing resources clients, transition-critical commodity projects, and the electrification and energy-efficiency retrofit of commercial buildings.

The opportunity is expected to utilise existing capability and client relationships rather than requiring entry into new markets.

Financial effects

The opportunity is prospective and as such had no impact on the Group's financial position, financial performance and cash flows for the reporting period, and no significant risk of adjustment as a result of this opportunity has been identified for the next reporting period.

Modelling and estimation of the opportunity's future impacts on the Group show that the direction of the financial impact is positive, particularly across the low emissions, high transition scenario.

The financial statement line items that could be affected if the opportunity is realised include contract revenue, profit before tax and operating cash flows.

Disclosure of quantification of the impacts of this opportunity has been assessed as not being useful to users of the Report at this point in time. This is because the timing and magnitude of the quantified output requires compounding predictions of the level, nature and timing of Australian policy intervention, the sequencing and scale of resulting investment programs, the share of that investment falling to the categories of work the Group performs, and the Group's win rate and capacity, all of which have high measurement uncertainty.

Transition opportunity 2: Data centres moving towards incremental or self-sufficient energy supply

Description of opportunity

Rapid growth in data centre capacity, combined with constraints in existing electricity infrastructure, is driving data centre operators to invest in incremental or self-sufficient energy supply including on-site and co-located renewable generation, energy storage and associated electrical infrastructure, whether to address grid connection constraints, manage power reliability risk or meet sustainability and policy expectations.

This would be expected to lead to an increase in demand for integrated energy solutions including on site and co located renewable generation, energy storage and associated electrical infrastructure over the medium and long term and particularly in the low warming scenario where data centre operators may face increasing customer, policy and market pressure to reduce the emissions intensity of their electricity supply while maintaining reliable power.

The Group has experience delivering projects in the data centre sector across its operating businesses. Together with its renewable energy capability described above, this experience positions the Group to participate in any expansion of the addressable market for data centre energy infrastructure. These opportunities are expected to utilise existing capabilities and client relationships, rather than requiring entry into new markets.

Financial effects

The opportunity is prospective and as such had no impact on the Group's financial position, financial performance and cash flows for the reporting period, and no significant risk of adjustment as a result of this opportunity has been identified for the next reporting period.

Modelling and estimation of the opportunity's future impacts on the Group show that the direction of the financial impact is positive, particularly across the low emissions, high transition scenario.

The financial statement line items that could be affected if the opportunity is realised include contract revenue, profit before tax and operating cash flows.

Disclosure of quantification of the impacts of this opportunity has been assessed as not being useful to users of the Report at this point in time. This is because the timing and magnitude of the quantified output requires compounding predictions of the pace of data centre development in the Group's geographies, the proportion of facilities adopting self-sufficient supply models, the configuration and value of the associated electrical scope, and the Group's win rate and capacity, all of which have high measurement uncertainty.

Climate-Related Risk and Opportunity Assessment (continued)

Consideration of CRROs in aggregate

The potential financial impacts of the CRROs identified in this report have been assessed as either not financially material in the current reporting period based on financial modelling, or are otherwise subject to a high degree of measurement uncertainty due to factors as identified in the previous section. For those CRROs where financial impacts have been assessed to be immaterial, the combined effects of those CRROs have also been considered in aggregate and the business is considered resilient in respect of the aggregate risk exposure. For those CRROs where measurement uncertainty of those CRROs is too high to be useful to readers, the combined effects of those CRROs have been considered in aggregate and it has been assessed that measurement uncertainty from the aggregated financial effects would also not be useful to readers. The Group will continue to assess the availability of relevant data and the exposure to these CRROs in each future reporting period.

Scenario Analysis

The Group has undertaken climate scenario analysis during the current reporting period to assess the resilience of its strategy under a range of plausible future climate conditions as required by AASB S2.

This climate scenario analysis considered the Group's delivery model, markets, geographies, customers, supply chain dependencies. Potential areas considered included the ability to source products and goods or supply services to customers during physical climate events, changes in demand from customer sectors under different transition pathways, policy and regulatory change, energy market transition, insurance availability, financing conditions and the resilience of the Group's workforce and operational delivery model.

The Group's climate-related risk and opportunity exposure is concentrated within the service delivery and customer-facing components of its value chain rather than through ownership of significant physical operating assets. The physical risk identified in this report would principally arise in Australian operations where the Group performs onsite services.

The Group's climate-related opportunities are concentrated in downstream customer markets and end-use sectors expected to experience increased investment under an energy transition pathway. These include renewable energy infrastructure, electricity networks, energy storage, transition-critical mineral developments, commercial building electrification and data centre developments. Accordingly, the Group's ability to realise these opportunities is dependent on customer investment decisions, policy settings supporting electrification and decarbonisation, and broader market demand for the services the Group provides.

The scenarios considered were drawn from the Shared Socioeconomic Pathways ("SSP") developed by the climate research community and used by the Intergovernmental Panel on Climate Change.

- **Low emissions scenario** - SSP1 1.9 represents a sustainability focused development pathway characterised by strong global coordination on climate policy, rapid decarbonisation of energy systems, increased electrification and widespread deployment of low emissions technologies. This scenario is broadly consistent with limiting global warming to approximately 1.5°C above pre industrial levels by the end of the century and is aligned to the latest International Agreement on Climate Change (the Paris Accord), and was an input into the Group's identification of transition risks.
- **High emissions scenario** - SSP3 7.0 represents a pathway characterised by limited international cooperation and slower progress in relation to emissions reduction and continued reliance on fossil fuels. Under this scenario, global average temperatures are projected to increase by approximately 3.5°C or more above pre industrial levels by the end of the century, with potential increases in heat and precipitation in areas in which we operate. The scenario was an input into the Group's identification of physical risks.

These scenarios were selected to provide contrasting reference points for assessing strategic resilience. Current global policy settings are generally understood to imply a temperature outcome between these two scenarios, but closer to a trajectory exceeding 2.5°C, based on widely used assessments of existing and announced climate policies.

Climate-Related Risk and Opportunity Assessment (continued)

Impact on Strategy and Decision Making

The identified climate related risks and opportunities are considered within the Group's existing strategic, planning and business development processes.

Climate related matters have not resulted in changes to the Group's business strategy, capital allocation, operating model or growth plans.

Climate Resilience

Across the scenarios assessed, the Group did not identify significant impacts to its strategy, business model or financial viability over the relevant time horizons. The Group's strategy, including the Group's capacity to adjust and adapt to CRROs, financial resourcing and capacity to respond to CRROs, and the ability to redeploy or repurpose assets in connection with CRROs, is considered resilient under the scenarios considered, noting the inherent uncertainty associated with climate modelling and forward looking scenario analysis. No significant investments are planned in response to CRROs at this time.

Metrics and Targets

FY26 Emissions for the Group

Metric	FY26 (tCO_2e)
Scope 1 emissions	3,914
Scope 2 emissions (location-based)	854
Total Scope 1 and 2 emissions	4,768

Scope 1 emissions primarily arise from transport fuel consumption, with a limited contribution from stationary fuel use.

Scope 2 emissions arise from purchased electricity and are calculated using the location based method.

The Group does not disclose Scope 3 greenhouse gas emissions in accordance with the transition provisions permitted under AASB S2.

Emissions Calculation Methodology

Scope 1 and Scope 2 greenhouse gas emissions have been measured in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* using the operational control approach. Under this approach, the Group accounts for emissions from operations and facilities over which it has operational control, reflecting its ability to manage and influence emissions from its operations.

The organisational boundary for greenhouse gas emissions reporting comprises Southern Cross Electrical Engineering Limited and its wholly owned subsidiaries, which aligns with the Group's consolidated financial statements. Emissions disclosed represent the Group's absolute gross greenhouse gas emissions within this organisational boundary.

The Group applies estimation techniques where complete FY26 activity data was not available at the time of preparing its emissions inventory. Estimates primarily relate to Scope 1 stationary fuel consumption, Scope 1 transport fuel consumption and Scope 2 electricity consumption, with unmeasured periods estimated using pro-rata extrapolation based on average daily consumption from available direct measurement data for the first 9 to 10 months of the current reporting period. SCEE also estimates electricity consumption for a small number of leased sites where electricity invoices are not available, using utility outgoings and electricity rates from comparable nearby properties.

Metrics and Targets (continued)

Emissions Calculation Methodology (continued)

Scope 1 and Scope 2 greenhouse gas emissions have been calculated using activity data and emission factors from the Australian National Greenhouse Accounts Factors (2025). The Group does not apply contractual instruments to manage its Scope 2 Greenhouse Gas emissions.

Targets

The Group has not established any climate related targets or transition plans and the Board does not contemplate target setting as part of its oversight at the present time.

Other Cross-Industry Metrics

In accordance with paragraph 29 of AASB S2, the Group discloses the following additional cross-industry metrics for the year ended 30 June 2026:

- **Assets and business activities vulnerable to climate-related transition risks:** As set out in the Strategy section, no climate-related transition risks were identified in the current year that are reasonably expected to affect the Group. Accordingly, the amount and percentage of the Group's assets or business activities assessed to be vulnerable to significant impact from climate-related transition risks is nil (0%) in the reporting period.
- **Assets and business activities vulnerable to climate-related physical risks:** One climate-related physical risk has been identified that relates to extreme weather events. However, based on the estimation of quantification of this risk exposure to the business, no material financial impacts are expected based on current modelling. On this basis, the Group considered that none (0%) of its assets and business activities are vulnerable to material impact from climate-related physical risks in the reporting period.
- **Assets and business activities aligned with climate-related opportunities:** The Group has identified two climate-related opportunities (refer Strategy section). The Group has disclosed that its broader service offering and asset base is capable of being deployed in support of these opportunities. The Group has used the commercially sensitive information exemption in AASB S2 in relation to climate-related opportunities. Accordingly, certain information about assets and business activities aligned with those opportunities has not been disclosed because it is commercially sensitive.
- **Capital deployed towards climate-related risks and opportunities:** The Group did not deploy any capital expenditure, financing or investment specifically towards climate-related risks or opportunities during the reporting period.
- **Internal carbon price:** The Group does not apply an internal carbon price in its decision-making.

Use of Climate Related Metrics in Remuneration

Climate related metrics are not linked to director or executive remuneration or incentive arrangements.

Notes to the Climate Statements

Judgements

Management has applied judgement in preparing and presenting the climate-related financial disclosures, including in determining the relevance, materiality and reliability of information included in the Sustainability Report. The key judgements that had the most significant effect on the information included in this report are summarised below.

Topic	Judgement applied
Identification of climate-related risks and opportunities	Management applied judgement in identifying climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects. This included consideration of the Group's risk management framework, strategy, capabilities, markets, customers, project pipeline, supply chain dependencies, climate scenario analysis and the potential effect on cash flows, access to finance and cost of capital over the short, medium and long term.
Time horizons	Management applied judgement in defining short, medium and long-term horizons by reference to the Group's broader strategic planning processes, including budgeting and business planning horizons.
Scenario selection and application	Management applied judgement in selecting scenarios that provide contrasting reference points for physical and transition impacts and meet the scenario analysis requirements under the Corporations Act. The Group applied a low emissions scenario to consider transition-related drivers and a high emissions scenario to consider physical climate impacts. The scenarios selected are disclosed in the Scenario Analysis section of this report.
Greenhouse gas reporting boundary and methodology	Management applied judgement in determining the emissions reporting boundary and measurement approach. Scope 1 and Scope 2 emissions are measured using an operational control approach, with the reporting boundary aligned to the Group's consolidated financial statements. Estimates form the basis of a component of the Scope 1 and 2 greenhouse gas emissions. This is discussed in more detail in the Metrics and Targets section of this report.

Notes to the Climate Statements (continued)

Measurement Uncertainty

Measurement uncertainty in this report arises from the use of estimates, external data, emissions factors, assumptions and forward-looking information. The following amounts and information are subject to the most significant measurement uncertainty.

Amount or information subject to uncertainty	Sources of measurement uncertainty and assumptions applied
Scope 1 and 2 greenhouse gas emissions	GHG quantification is inherently subject to significant uncertainty due to limitations in available data, scientific understanding, and the nature of, and methodology for, determining emissions factors and data. The use of alternative appropriate emissions factors or calculation methodologies may have resulted in materially different disclosed GHG emissions. In general, the inherent limitations in emissions factors that are specified in the NGA Factors may affect GHG measurement outcomes.
Scenario analysis and resilience assessment	Scenario analysis is inherently uncertain because it depends on future policy, technology, market, macroeconomic and physical climate outcomes. The selected scenarios are not forecasts and do not represent the only possible outcomes. Management has used scenario analysis as a strategic resilience tool rather than as a prediction of future financial performance.
Anticipated financial effects of climate-related opportunities	The anticipated financial effects of the identified opportunities are highly uncertain because they depend on future customer investment decisions, policy intervention, grid constraints, energy transition pace, technology deployment, competitive tender outcomes and project timing. Management has therefore provided qualitative information and identified the financial statement line items that could be affected, rather than quantitative estimates that may not be useful to readers of the report.

Forward Looking Statements

This Sustainability Report contains forward-looking statements and forward-looking climate-related information prepared in accordance with AASB S2. Such statements involve inherent risks, uncertainties, assumptions and contingencies, many of which are outside the Group's control, and that may cause actual results, performance, outcomes or conditions to differ materially from those expressed or implied. Forward-looking information, including scenario analysis and transition and physical risk assessments is based on information available at the date of publication and reflects assumptions considered reasonable at that time. Climate related disclosures are subject to inherent uncertainty, including measurement and estimation uncertainty, evolving scientific knowledge, limitations in data availability and quality, and uncertainty regarding future policy, regulatory, market and technological developments. Actual outcomes may differ materially from estimates or forward looking statements, and the significance of climate related risks and opportunities may change over time.

Directors' Declaration

In the Directors' opinion:

Southern Cross Electrical Engineering Limited has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report – Climate Related Financial Disclosures (climate statements and notes to the climate statements) for the consolidated entity for the year ended 30 June 2026 are in accordance with the Corporations Act 2001, including complying with:

(a) the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures under section 296C, and

(b) the requirements of the climate statement disclosures under section 296D.

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

Karl Paganin
Chairman
18 August 2026

Independent Audit Report

TO THE MEMBERS OF SOUTHERN CROSS ELECTRICAL ENGINEERING LIMITED

Independent Auditor's Review Report

To the shareholders of Southern Cross Electrical Engineering Limited

Report on specified Sustainability Disclosures of Southern Cross Electrical Engineering Limited presented in the Sustainability Report titled "Sustainability Report – Climate Related Financial Disclosures" prepared in accordance with the Corporations Act 2001

Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of *Southern Cross Electrical Engineering Limited* titled "Sustainability Report – Climate Related Financial Disclosures" for the year ended 30 June 2026 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

Specified Sustainability Disclosures	***Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)***	***Locations in Sustainability Report***
Governance disclosures	*Paragraph 6*	*Section "Governance"* - *Subsection "Board Oversight", pages 94 – 95* - *Subsection "Audit and Risk Management Committee", page 95* - *Subsection "Role of Management", page 95*
Strategy (risk and opportunities) disclosures	*Subparagraphs 9(a), 10(a) and 10(b)*	*Section "Climate-Related Risk and Opportunity Assessment"* - *Subsection "Climate Related Risks and Opportunities", paragraphs 1 and 4 – 5, page 97* - *Subsection "Physical risk: Extreme weather events", subsection "Description of risk", page 98*

INDEPENDENT AUDIT REPORT CONT'D

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		- *Subsection "Transition opportunity 1: Increased volume of work arising from Australia's energy transition", subsection "Description of opportunity", page 98 – 99* - *Subsection "Transition opportunity 2: Data centres moving towards incremental or self-sufficient energy supply", subsection "Description of opportunity", page 99*
Scope 1 greenhouse gas emissions	*Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)*	*Section "Metrics and Targets"* - *Table "FY26 Emissions for the Group", Scope 1 emissions, including the emissions calculation methodology described in Section "Metrics and Targets", subsection "Emissions Calculation Methodology", pages 101 – 102* - *Table "FY26 Emissions for the Group", Scope 2 emissions (location-based), including the emissions calculation methodology described in Section "Metrics and Targets", subsection "Emissions Calculation Methodology", pages 101 – 102*
Scope 2 greenhouse gas emissions (location-based)		

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Auditor's Responsibilities" section of our report.

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We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Information

The Directors of *Southern Cross Electrical Engineering Limited* are responsible for the other information. The other information comprises the *Southern Cross Electrical Engineering Limited* Annual Report including the Financial Report and Sustainability Report but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and Remuneration Report and our respective audit reports.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The Directors of *Southern Cross Electrical Engineering Limited* are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

KPMG

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

KPMG

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquire with relevant *Southern Cross Electrical Engineering Limited* personnel to obtain an understanding over the internal controls, governance structure and reporting processes of the specified Sustainability Disclosures;
- Review relevant documentation including the calculation spreadsheets, basis of preparation, policies, reporting procedures, methodologies and other supporting records underlying the specified Sustainability Disclosures;
- Assess the application of the Criteria in respect of the specified Sustainability Disclosures;
- Test and reconcile the specified Sustainability Disclosures to underlying source documentation on a sample basis;
- Test the mathematical accuracy of a sample of calculations underlying the specified Sustainability Disclosures;
- Assess emission factor sources and re-perform a sample of emission factor calculations used in the specified Sustainability Disclosures;
- Review the Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of *Southern Cross Electrical Engineering Limited* and our observation of its operations.

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Derek Meates
Partner
Perth
18 August 2026

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is current at 14 August 2026.

Distribution of equity security holders

Category	Ordinary shares		Performance rights	
	Number of securityholders	Percentage of securities held	Number of securityholders	Percentage of securities held
1 - 1,000	1,812	0.28	-	-
1,001 - 5,000	2,241	1.95	-	-
5,001 - 10,000	1,100	2.66	-	-
10,001 - 100,000	1,768	15.45	-	-
100,001 and over	163	79.66	6	100.00
	7,084	100.00	6	100.00

The number of shareholders holding less than a marketable parcel of ordinary shares is 171.

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
Citicorp Nominees Pty Limited	52,988,548	17.24
Frank Tomasi Nominees Pty Ltd <Frank Tomasi Family A/C>	40,070,264	13.04
HSBC Custody Nominees (Australia) Limited	38,203,007	12.43
J P Morgan Nominees Australia Pty Limited	18,759,662	6.10
UBS Nominees Pty Ltd	13,585,443	4.42
Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	8,704,875	2.83
Thorney International Pty Ltd	7,720,709	2.51
BNP Paribas Noms Pty Ltd	4,394,430	1.43
BNP Paribas Noms (NZ) Ltd	3,590,426	1.17
BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	3,329,649	1.08
Alfiedoug Pty Ltd <CCALO A/C>	3,257,984	1.06
BT Portfolio Services Ltd <Kaleidoscope Investments A/C>	3,229,385	1.05
Mr Paul Chisholm <The Chisholm Family A/C>	2,666,257	0.87
Palm Beach Nominees Pty Limited	2,298,929	0.75
HSBC Custody Nominees (Australia) Limited - A/C 2	1,830,537	0.60
Westor Asset Management Pty Ltd <Value Partnership A/C>	1,560,513	0.51
BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient>	1,477,146	0.48
Poco Asino Investments Pty Ltd	1,263,249	0.41
Neweconomy Com Au Nominees Pty Limited <900 Account>	1,207,380	0.39
Mr Roger Edward Koch	1,150,000	0.37
	211,288,393	**68.76**

Substantial shareholders

The number of shares held by substantial shareholders and their associates as disclosed in substantial holding notices are:

Shareholder	Number
Frank Tomasi Nominees Pty Ltd	40,062,764
Thorney Opportunities Ltd	16,356,142

Voting rights

The voting rights attaching to ordinary shares are set out in the Company's Constitution. Subject to the Corporations Act 2001 (Cth), on a poll each holder of ordinary shares has one vote for each fully paid ordinary share held. Performance rights do not carry voting rights.

Corporate Governance Statement

The Corporate Governance Statement can be found at https://www.scee.com.au/investors/corporate-governance

Corporate Directory

Directors

Karl Paganin
Independent Chairman and Non-Executive Director

Graeme Dunn
Managing Director and Chief Executive Officer

Simon Buchhorn
Independent Non-Executive Director

Paul Chisholm
Independent Non-Executive Director

Michael McNulty
Independent Non-Executive Director

Louise Daw
Independent Non-Executive Director

Company Secretaries

Chris Douglass

Colin Harper

ASX Code: SXE

Registered Office

Level 15, 225 St Georges Terrace
Perth WA 6000
T: +618 9236 8300

Share Registry

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000
T: 1300 787 272

Solicitors

K & L Gates
Level 32, 44 St Georges Terrace
Perth WA 6000

Auditors

KPMG
235 St Georges Terrace
Perth WA 6000

Southern Cross Electrical Engineering Limited

ABN: 92 009 307 046
ASX: SXE

scee.com.au