ANNUAL REPORT **2026**

ABN 60 078 480 136

austineng.com

Innovative design and engineering solutions that deliver efficiency and safety improvements in open cut and underground mining operations.

Contents

Group Overview

Austin Engineering is an ASX-listed global engineering firm and a market leader in the design and manufacture of customised dump truck bodies, buckets, water tanks, tyre handlers, and other ancillary products used in the mining industry.

For over 50 years, Austin has partnered with mining companies, contractors, and OEMs to create innovative design and engineering solutions that deliver efficiency and safety improvements in open cut and underground mining operations.

Austin's core competitive advantage lies in its engineering intellectual property, knowledge and experience through which its customised products provide compelling productivity gains for our clients.

With a presence in the world's principal mining regions, Austin provides high-quality, cost-effective solutions, and a complete service through the product's life cycle, offering on and off-site repair and maintenance, and spare parts to our clients.

Austin's products can create more sustainable mining operations by delivering the lowest cost per tonne to end users, reducing fuel and tyre usage per material carried, and maximising profitability for our clients.

Headquartered in Australia, Austin has operations in key global mining areas across four continents. Austin's operations are located in Australia, Indonesia, the US, and Chile. The Company also has several partnerships for final equipment assembly and delivery, and parts manufacture, enabling greater customer reach across the globe.

Our Vision

- To be the global market leader in customised loading and hauling solutions for the mining industry, supporting open-cut and underground applications, by putting our clients' needs and innovation at the core of the business.
- Through world-class engineering, manufacturing excellence, disciplined cost management, and technology leadership, we will be the lowest-cost operator in our markets and deliver the best total cost of ownership for our customers, while achieving strong environmental, social and governance outcomes and sustainable returns for our clients, our people and our shareholders.

FY26 Financial Highlights[1]

Revenue
$329.0m
down 12.7% from $376.7m

Order Book
$132.9m
down 9.5% from $146.9m

EBITDA[1]
$19.3m
down 53.7% from $41.7m

Operating Cashflow
$26.7m
up significantly from $2.6m

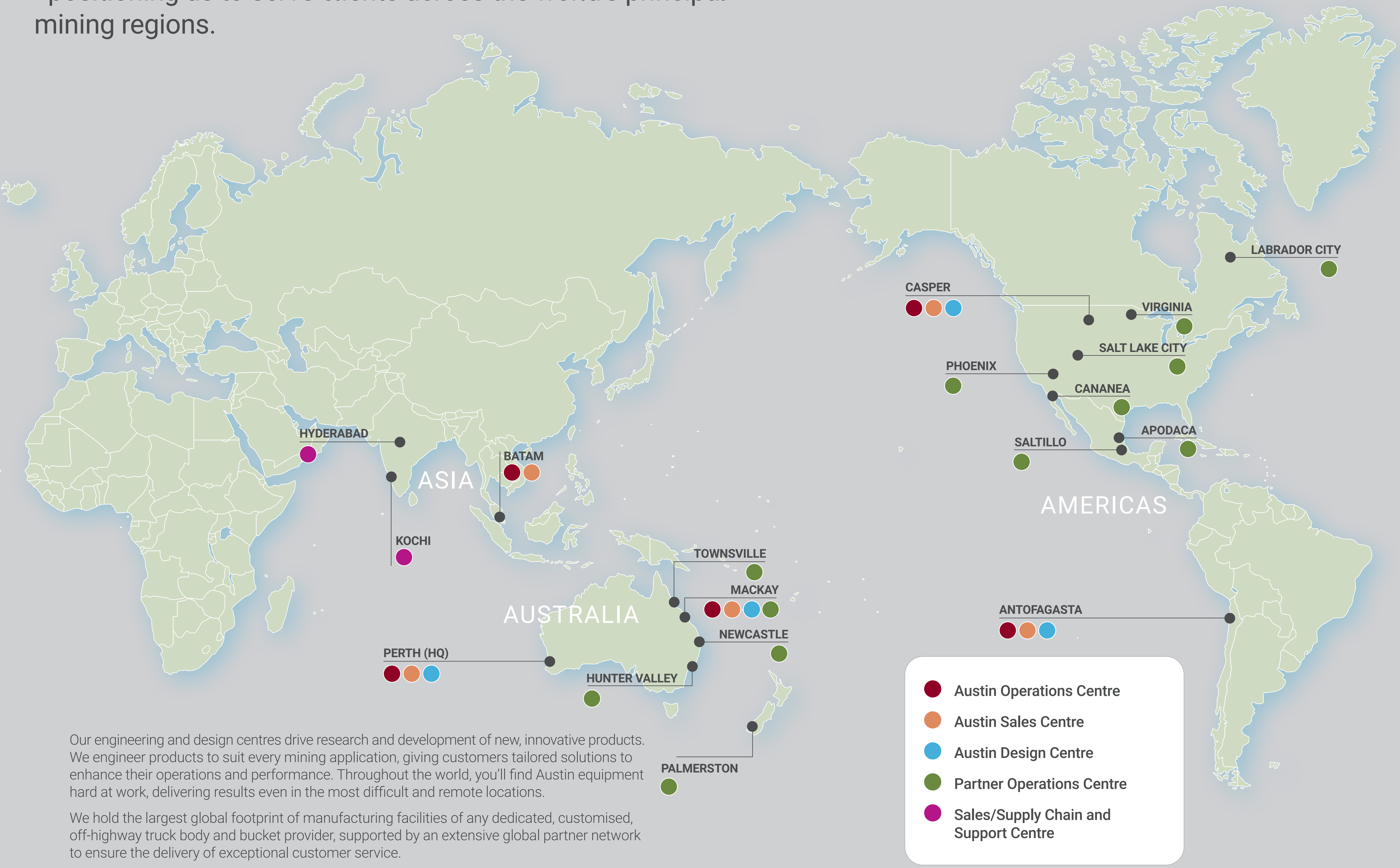
Net Debt
$5.8m
reduced by $7.0m

NPAT[1]
$6.4m
down 75.5% from $26.3m

1. Financial numbers are presented for continuing operations.

Our Global Reach

Headquartered in Western Australia, Austin's global manufacturing network spans four continents - with facilities in Australia (Perth and Mackay), North America (Casper), Indonesia (Batam), and South America (La Negra) - positioning us to serve clients across the world's principal mining regions.



Our engineering and design centres drive research and development of new, innovative products. We engineer products to suit every mining application, giving customers tailored solutions to enhance their operations and performance. Throughout the world, you'll find Austin equipment hard at work, delivering results even in the most difficult and remote locations.

We hold the largest global footprint of manufacturing facilities of any dedicated, customised, off-highway truck body and bucket provider, supported by an extensive global partner network to ensure the delivery of exceptional customer service.

Jim Walker

Chair's Letter

Dear Shareholders,

FY26 was a challenging year for Austin, one that tested the resilience of our business. This was a year of rebuilding and going back to basics: implementing operational discipline, enhancing efficiencies, rightsizing across regions, and addressing loss-making contracts.

While the financial results were below our expectations, the Board has full confidence in the path ahead and in Austin's ability to emerge as a stronger, more resilient business.

Financials

Austin's FY26 performance reflects the operational headwinds experienced across our North American and South American businesses. Notwithstanding the earnings result, I am pleased to report that strict working capital management delivered a meaningful improvement in operating cash flow compared to FY25. This is a tangible sign that the operational discipline being embedded across the business is delivering value.

The Board declared a fully franked interim dividend of 0.3 cents per share, paid in April 2026. While no final dividend was declared for the full year, the Board determined that preserving capital to support the operational reset of the business was the appropriate course of action to undertake.

Board Continuity

FY26 marked Sy van Dyk's first full year as Managing Director and CEO, effective 1 July 2025, with David Singleton transitioning to Non-Executive Director. We also welcomed Ian Stone as a Non-Executive Director and Chair of the Audit & Risk Committee, effective 1 July 2025. Ian brings more than 30 years of financial services experience, with deep expertise in governance and risk management.

Aside from these changes, Board continuity was maintained throughout FY26, providing stability of oversight during a period of operational transition.

Engineering and Design Leadership

Austin's competitive advantage has always been underpinned by our engineering and design expertise, and FY26 was no exception. A key highlight was the completion of our first dipper bucket in partnership with US-based Bierwith Forge, incorporating its innovative GET system.

Austin has commenced distributing this technology across its mining bucket range in Australia, strengthening our offering for customers operating electric rope shovels and excavators – and initial customer response has been positive.

Complementing these product advancements, our austIQ digital platform continues to mature, providing real-time insights on equipment health across a growing number of customer fleets. austIQ is deepening our customer relationships with actionable, data-driven insights, and extending tray life.

People and Health & Safety

Our people remain our most important asset, and I am proud of the commitment shown by our teams globally. Safety remains a non-negotiable priority, and I am pleased to report meaningful improvements with our LTIFR decreasing by 50.2% year-on-year to 2.0 and TRIFR decreasing by 36.7% year-on-year to 8.4. This reflects the strengthened safety systems and reporting frameworks implemented across all sites, and while the progress is encouraging, we remain committed to continuous investment in safety culture, systems and controls across our sites.

Investing in people extends to training and development. We continued to build workforce capability through our welding school programs in Casper and Batam, providing hands-on training and future employment pathways.

In Australia, we continued our partnership with the Clontarf Foundation, supporting young Aboriginal and Torres Strait Islander men through education and employment opportunities, a program we are proud to support as part of our broader community commitment.

Sustainability and the Global Mining Outlook

The global mining sector continues to benefit from strong structural demand for base metals and critical minerals, underpinned by the energy transition and technological advancement. Austin is well positioned to respond to these themes through continued product innovation and commitment to reducing the environmental footprint of mining operations. Our High Performance and Premier Tray ranges continue to deliver measurable benefits through reduced steel usage, expanded payload capacity, and lower fuel consumption.

During FY26, we continued to refine our approach to sustainability practices, with a focus on strengthening our safety reporting systems and materials recycling. Our global greenhouse gas emissions (GHG) fell 24%, driven by a 10% reduction in Scope 1 and 29% reduction in Scope 2 emissions. In FY27, Austin will commence reporting in line with the new Australian Sustainability Reporting Standards (Climate-related Disclosures AASB S2). We will continue to strengthen our GHG data systems and climate-related activities in response to these new requirements.

Outlook

The Board is focused on ensuring Austin emerges from this period as a stronger, more cost-competitive and agile business. The operational efficiencies implemented in FY26, across management structures, production systems, workforce capability, and contract discipline, are delivering positive results, and we expect the effect to flow through in FY27 and beyond.

Key priorities for FY27 include continuing the turnaround in Chile and North America, capitalising on the strong demand environment in APAC, and embedding the operational improvements made into standard operating systems and processes.

The Board considers that the work done in FY26 was necessary and is confident it has positioned Austin to perform and scale efficiently from a much stronger foundation.

On behalf of the Board, I thank our shareholders for their continued patience and support, and our employees and management teams around the world for their dedication and commitment throughout a challenging year. We look forward to updating you on our progress ahead.

Jim Walker
Non-Executive Chair
Austin Engineering Ltd

Sy van Dyk

Managing Director's Report

Dear Shareholders,

FY26 was a year of rebuilding for Austin. After a period of revenue growth in prior years, we addressed the operational headwinds that had accumulated across our North American, South American and Indonesian businesses, and resolved a loss-making contract in Chile.

This included a disciplined program of strengthening our operational foundations, driving efficiency improvements across our facilities, and rightsizing the business where needed.

Our FY26 financial result was below expectations, and below what this business is capable of delivering. The issues we faced were mostly operational in nature, they are within our control, and we are already seeing positive changes from the actions taken. This has been a year of addressing challenges while laying the foundations for a stronger, more efficient and scalable Austin.

Group Financial Performance

Austin's FY26 Group revenue was approximately $329.0 million, compared to $376.7 million in FY25, and Group EBITDA from continuing operations was $19.3 million, compared to $41.7 million in FY25. These results reflect the headwinds experienced in North America, Indonesia and in Chile. This was partially offset by the continued strong performance from our Australian business.

A genuine positive was the uplift in operating cash flow. Strict working capital management drove operating cash flow of $26.7 million, up $24.1 million on FY25's $2.6 million, reflecting strengthened financial controls across the business.

Regional Analysis

NORTH AMERICA

North America contributed approximately 38.6% of Group revenue in FY26. Revenue declined 13.5% year-on-year to $127.0 million, mostly due to customers' replacement cycles, which we expect to improve in calendar year 2027, and product mix.

During the year we restructured the leadership team with the appointment of a Vice President Americas to provide unified oversight of both our North and South American operations.

Product mix remains a challenge, with certain contracts carrying lower margins than others, and we are actively working to improve gross margins across our product grouping. Order levels were lighter than expected due to timing delays. Despite these challenges, meaningful operational progress was made in workshop productivity, which increased from a low of 62% in July 2025 to approximately 80% in the last quarter of FY26, and reliance on external contractors and sub-contractors has reduced materially. While this progress is encouraging, further efficiency improvements are actively being addressed to increase throughput and improve margins.

We have implemented a structured Operational Improvement Plan for the US business. Key initiatives include strengthening workshop efficiencies by improving planning, adopting lean manufacturing principles, KPI tracking across all workstations, investment in new welding technologies, and focused vendor cost management.

APAC

APAC continued to be a cornerstone of profitability, performing in line with expectations. During the year, APAC was Austin's largest revenue-generating region, contributing approximately 44.7% of Group revenue in FY26. Revenue was $147.1 million, down 15.1% on the prior corresponding period, with EBITDA of $24.6 million at a margin of 16.7%.

A standout highlight was the continued profitability of our Australian buckets business, which delivered a $17.4 million revenue uplift, growing from 4% of group product revenue in FY25 to 11% in FY26.

We also made meaningful progress in diversifying our APAC customer base, with approximately 51% of work now sourced from non-single-customer relationships, providing a more resilient and balanced revenue mix. Our spare parts division also delivered excellent growth.

SOUTH AMERICA

Chile represented the most significant operational challenge in FY26. The OEM contract entered into in 2024 drove deeply negative margins and flow-on impacts to facility efficiency. South America revenue declined 3% to $55.0 million in the year, with an EBITDA loss of $10.0 million.

The renegotiation in March 2026 secured improved pricing and payment terms, with deliveries commencing in late June 2026 under the revised pricing agreed with the customer, and execution expected principally across FY27.

Beyond the contract renegotiation, a comprehensive operational improvement program has been implemented. We have a new and refreshed management team leading operations in La Negra headed by a new General Manager, who reports to the Vice President based in North America. The highly experienced North American management team is mentoring and directing the La Negra management team as we go through this improvement program.

The same operational process being embedded in Casper (referred to above) is being rolled out and implemented in La Negra. Despite these challenges, the order book in South America is robust, extending to the end of the current calendar year with further demand expected. The cessation of recurring losses from the legacy OEM contract, combined with the operational and systems improvements now being embedded across the facility, positions Chile for improved performance in FY27.

Strengthening our Competitive Position

Despite the operational challenges encountered, Austin has continued to strengthen its competitive position. Our partnership with Bierwith Forge has positioned us well with customers in Queensland and beyond. We have deepened customer relationships, reflected in increased work with Tier 1 customers and OEMs, alongside a healthy flow of new customer wins, validating our market position.

Our austIQ digital platform is also maturing across customer fleets, delivering value through improved maintenance and replacement strategies.

Outlook

We enter FY27 as a clearer, leaner, and more focused business, and one that is better positioned to scale efficiently. The operational improvements implemented in FY26 are already delivering visible results, and our focus is firmly on setting the business up for profitable long-term growth.

In the year ahead, our priorities are clear: embedding production improvements, capitalising on high-volume opportunities with our leading customers, continuing spare parts growth across APAC and North America, and accelerating the adoption of austIQ across our customer base.

I would like to thank the Board for its guidance and counsel throughout a year of significant change, and the executive team for its leadership and commitment as we advance the operational transformation underway across the business. I also thank our teams around the world for their resilience, dedication and hard work throughout a demanding year.

To our shareholders, thank you for your continued support. I look forward to sharing our progress as we build a stronger Austin and deliver sustainable long-term shareholder value.

Sy van Dyk
Chief Executive Officer and Managing Director
Austin Engineering Ltd

Operational Overview

FY26 was a challenging year for Austin, with operational performance shaped by contrasting regional outcomes. Australia and Indonesia delivered stronger results, supported by manufacturing efficiency gains, improved bucket demand, and a rebuilding order book. By contrast, Chile and North America experienced execution challenges linked to production inefficiencies, capacity constraints, contractor reliance, and the impact of a legacy OEM contract.

Management responded with decisive corrective actions across the year. In Chile, the business appointed new site leadership, transitioned to a single-shift operating model, strengthened production governance, and reset its position on the legacy OEM contract. In North America, the focus was directed toward improving workshop productivity, strengthening production flow, expanding workforce capability, and reducing reliance on outsourced manufacturing and contract labour. In Indonesia, the Batam facility was right-sized to align capacity with demand while positioning the business to prepare for incoming growth for truck bodies, dippers and buckets for a number of major customers.

Operational Initiatives

Improving manufacturing efficiency remains an ongoing priority.

There has been strong focus on Lean Manufacturing processes with the aim to increase productivity for Austin, to deliver value for our customers, and to reduce waste - efforts that have improved safety, productivity, and quality across the Group. During FY26, the Asia Pacific (APAC) and Americas regions advanced their Lean Manufacturing programs through the introduction of Standard Operating Procedures (SOPs) for truck bodies, ore pass chutes and Spillminators. These SOPs improved manufacturing efficiency and productivity, while also strengthening quality and safety. They also enabled our trade labour teams to learn production processes faster, reducing training time and reliance on legacy expertise, while allowing the workforce to flex in line with business demand.

Supply Chain has strengthened business performance by consistently keeping steel and consumable input costs below job estimates. Sustained focus on cost reduction delivered ongoing savings, which will benefit the business over the coming financial years. As we did with steel a few years ago, we are consolidating our purchasing power across all our business units to drive down cost in key consumable items used.

Customer Focus

Austin has maintained a strong focus on developing new customer relationships to strengthen recurring revenue across the Group.

A coordinated global strategy to diversify the order book has increased brand and product awareness. New customers across Africa, the Middle East, India and North America contributed $12 million in sales and established a further $40 million sales pipeline. The pipeline demonstrates increasing traction with new customers, major mining groups and multi-year fleet opportunities which all serve to diversify our customer base.

The OEM contract secured in 2024 and mostly impacting Chile, was renegotiated, with improved pricing and payment terms secured in March 2026, and deliveries commenced in late June 2026 under the revised pricing agreed. As a result, the contract is now estimated to be profitable for the Chilean business.

During the year another OEM contracted with Austin to sub-manufacture dipper buckets in Batam, Indonesia. We have entered into an umbrella agreement with this OEM, however only accepted one purchase order to date to ensure we have the systems and processes correctly dialled in before accepting additional purchase orders. This one dipper will be manufactured during FY27 before we accept additional orders.

The agreement allows for the first three dippers to attract a higher labour hour allocation, as we embed the correct processes and learning before ramping up production and throughput of dippers for the client.

Product Leadership

Engineering and design capability remains central to Austin's market differentiation.

During FY26, this capability was demonstrated through the delivery of our first dipper bucket developed with US-based Bierwith Forge and featuring its innovative GET Slick Lip system. We have since begun introducing the technology across our Australian mining bucket portfolio for electric rope shovels and excavators, with encouraging early feedback from customers.

Our focus on innovation also extends beyond physical products. As austIQ continues to evolve, the platform is being deployed across an increasing number of customer fleets, delivering real-time visibility of equipment condition. The practical insights generated are helping customers make better-informed decisions, strengthening our partnerships and supporting longer tray service life.

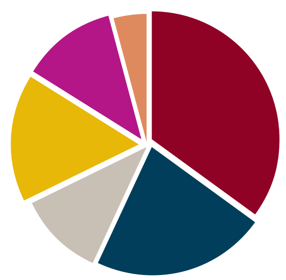
Asia Pacific

Asia Pacific ($ million)	FY26	FY25	Change
Revenue	147.1	173.3	-15.1%

REVENUE BY COMMODITY:

Commodity	FY26	FY25
Iron Ore	50%	52%
Coal - Met	14%	2%
Coal - Thermal	8%	9%
Gold	18%	22%
Other	10%	15%

REVENUE BY PRODUCT/SERVICE:



Product/Service	FY26	FY25
Bodies	35%	55%
Buckets	22%	9%
Chutes	11%	8%
Other Products	16%	13%
Maintenance/Repairs	12%	12%
Other Services	4%	3%

Operational Overview
(continued)

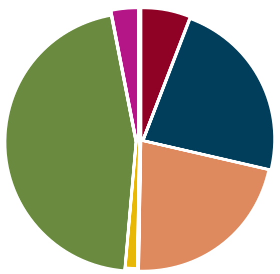
In FY26, APAC operations accounted for 44.7% of the Group's total business revenues, amounting to $147.1 million. This figure represents a 15.1% decrease from $173.3 million in the previous year, mainly due to lower customer demand in Australia, Asia and Africa.

The APAC region has continued to mature its delivery manufacturing capabilities. The APAC business units exceeded their respective EBITDA targets for the year.

North America

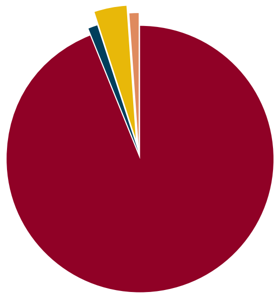
North America ($ million)	FY26	FY25	Change
Revenue	127.0	146.8	-13.5%

REVENUE BY COMMODITY:



Commodity	FY26	FY25
Iron Ore	6%	2%
Coal - Met	23%	20%
Coal - Thermal	-%	1%
Copper	22%	17%
Gold	1%	11%
Oil	46%	47%
Other	2%	2 %

REVENUE BY PRODUCT/SERVICE:



Product/Service	FY26	FY25
Bodies	94%	94%
Buckets	1%	4%
Other Products	4%	3%
Other Services	1%	-%

North America generated $127.0 million, representing 38.6% of FY26 Group revenue, and a 13.5% reduction from the prior year. The decline reflected lower customer orders, particularly in the Canadian oil sands sector.

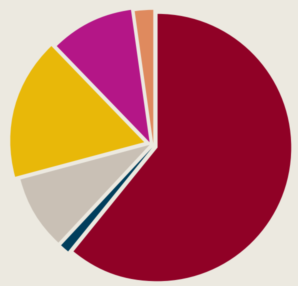
South America

South America ($ million)	FY26	FY25	Change
Revenue	54.9	56.6	-3.0%

REVENUE BY COMMODITY:

Commodity	FY26	FY25
Copper	100%	100%

REVENUE BY PRODUCT/SERVICE:



Product/Service	FY26	FY25
Bodies	61%	66%
Buckets	1%	5%
Other Products	9%	4%
Shop Maintenance/Repairs	17%	16%
Site Maintenance/Repairs	10%	9%
Other	2%	-

South America reported $54.9 million in revenue, a 3.0% decrease from FY25, accounting for 16.7% of the Group's total revenue in FY26. The region's primary focus during the year was the major OEM truck body manufacture. The contract for that work was renegotiated to provide for improved margin based on revised input costs.

Financial Review

Revenue declined across most segments, with recovery actions firmly underway.

Group revenue impacted by softer volumes across North America and APAC.

APAC remains the most resilient segment despite lower volumes.

Group profitability sharply impacted by a wider South America loss.

FY26 was a year of operational and financial challenge for Austin. Softer tray volumes across North America and APAC, combined with a widening loss in South America driven by a legacy OEM contract, weighed heavily on Group revenue and profitability. The Group enters FY27 with targeted recovery actions in place across all regions.

Softer volumes across Austin's Asia-Pacific (APAC) and North America operations were the primary drivers of the Group's revenue and earnings decline, while South America's full year loss widened further, reducing overall Group performance.

Group revenue from continuing operations fell 12.7% to $329.0 million in FY26, reflecting lower tray volumes across North America and APAC.

FY26 EBITDA was $19.3 million, down from $41.7 million in FY25, a decrease of 53.6%, as all three regions recorded lower earnings. South America's loss widened significantly, while North America and APAC both recorded lower profitability on reduced volumes. Significant items impacting the Group's results included EBITDA loss on the OEM contract of $5.7 million and $1.3 million in restructuring costs incurred in rightsizing operations in Chile and APAC regions.

FY26 NPAT from continuing operations decreased by $19.9 million to $6.4 million, compared to $26.3 million in FY25.

The APAC region generated revenue of $147.1 million, a 15.1% decrease from the prior year, with statutory EBITDA of $24.6 million, down 24.8% from $32.7 million in FY25. While lower tray volumes weighed on the result, these were partly offset by a strong increase in bucket sales. The Australian buckets business was a particular highlight, roughly tripling its share of Group product revenue. The region also broadened its customer base and grew spare parts sales, supporting a more resilient earnings profile.

North America reported a 13.5% decrease in revenue to $127.0 million, driven by lower tray and bucket sales. EBITDA reduced by 57.4% to $8.6 million, down from $20.2 million in FY25, as production inefficiencies, facility bottlenecks and greater reliance on contract labour reduced fixed cost absorption across the expanded facilities. Workshop productivity improved during the year as an operational improvement program took hold, and the business enters FY27 with targeted further efficiency gains. Product mix also negatively impacted profitability during FY26, as lower margin long-term business was the mainstay of the workload compared to higher margin product mix in the prior year.

South America reported revenue of $54.9 million, a 3.0% decrease from the prior year, as a decline in tray sales was partly offset by a modest growth in off-site and on-site services revenue. The EBITDA loss widened to $10.0 million, from $2.6 million in FY25, as the region continued to absorb the impact of a loss-making OEM contract secured in 2024, alongside higher labour, contractor and steel costs. This contract was renegotiated on improved terms during the year and is being supported by a broader operational reset, including leadership changes, a reduced workforce, tighter cost controls and improved production scheduling, positioning the business for recovery in FY27.

Operating cash flow increased significantly to $26.7 million, compared to $2.6 million in the prior year, an improvement of $24.1 million. While receipts from customers of $332.3 million were $35.2 million lower than FY25, this was more than offset by a $52.8 million reduction in payments to suppliers and employees, reflecting a significant unwind of working capital, including lower inventory and receivables balances, together with the timing of payments to suppliers based on when they fall due.

APAC and Chile inventory levels both reduced significantly during FY26, following the deliberate unwind of elevated stock positions built up in the prior year.

Trade receivables also decreased, reflecting the lower level of production and sales activity across the Group.

Net cash outflows from investing activities were $6.4 million, a reduction of $6.2 million against the prior year, primarily reflecting payments for property, plant and equipment of $6.8 million following the completion of the North American facility expansion. This was partly offset by proceeds from new sublease arrangements of $0.4 million and proceeds from the sale of property, plant and equipment of $0.3 million.

Net cash outflows from financing activities were $22.6 million, comprising net loan repayments of $10.1 million, dividend payments of $7.1 million, lease repayments of $4.2 million and a $1.2 million share buyback.

The Group paid a dividend of $7.1 million during the year, a decrease of $1.1 million compared to $8.2 million paid in FY25.

The Group's cash position closed at $17.1 million. Net debt (excluding AASB 16 leases and acquisition deferred payments) improved to $5.8 million, down from $12.8 million in FY25.

Product Diversification

Austin's Group revenue of $329.0 million reflected a 12.7% decrease compared to the prior year, driven by lower volumes across North America and APAC.

Product sales made up 87.9% of Group sales. Within this, tray sales declined 23.7% to represent 62.4% of Group revenue, while bucket sales increased 43.2% to represent 10.4% of Group revenue as APAC volumes shifted toward bucket production. Other products increased 17.0% to represent 15.2% of Group revenue.

Services, comprising repair and maintenance, declined by $1.6 million, or 3.9%, to $39.7 million.

Customers Revenue Review

Mining customers represented 83.1% of the Group revenue, up from 81.9% in FY25, though mining segment revenue declined 11.4% year-on-year in line with the Group's softer overall trading environment.

OEM customers represented 7.8% of Group revenue, down marginally from 7.9% in FY25, with OEM revenue 13.5% lower year-on-year.

Commodity Revenue Review

The Group's largest customer commodity markets remained iron ore, copper, oil and gold, collectively representing 75.9% of revenue, down from 79.5% the prior year.

- Sales to the iron ore commodity markets declined 13.2%, representing 24.7% of Group revenue, with the majority of sales coming from Australia.
- Sales to the copper commodity markets grew 1.7%, representing 100% of South America revenue and 22.4% of North America revenue.
- Sales to the oil commodity markets declined by 16.3%, representing 17.6% of Group revenue, with all sales coming from North America.

Financial Review
(continued)

Sector Product and Services Review

APAC revenue of $147.1 million was down $26.2 million.

- Trays accounted for 34.8% of sales, a decline of $43.0 million (-45.7%).
- Buckets made up 21.9% of sales, an increase of $17.4 million (+117.5%), as APAC volumes shifted toward bucket production.
- Other products represented 27.4% of sales, an increase of $3.2 million (+8.8%).

North America revenue was $127.0 million, down $19.8 million, driven by lower tray and bucket sales.

South America revenue was $54.9 million, down 3.0% year-on-year, as a decline in tray sales was partly offset by growth in off-site and on-site services revenue.

Composition of Revenue

Product/Service		FY26	FY25	FY24
Truck bodies	$M	205.3	268.9	191.4
Buckets	$M	34.2	23.9	29.3
Other products	$M	49.8	42.6	37.7
Off-site services	$M	26.1	30.2	44.4
On-site services	$M	6.7	5.4	3.9
Other services	$M	6.9	5.7	1.6
Total revenue	**$M**	**329.0**	**376.7**	**308.3**

Revenue by Products and Services

Product/Service	FY26
Tray Bodies	62.4%
Buckets	10.4%
Chutes	4.9%
Other products	10.2%
Shop maintenance repairs	7.9%
Site maintenance/repairs	2.0%
Other services	2.2%

Revenue by Commodity Types

Commodity	FY26
Iron Ore	24.7%
Copper	25.4%
Gold	8.3%
Coal Met	15.1%
Coal Thermal	3.5%
Oil	17.6%
Other	5.4%

Revenue by Customer

Commodity	FY26
OEM	7.8%
Miner	83.4%
Mining Contractor	1.5%
Other	7.7%

Overview of Financial Performance from Continuing Operations

Statutory	FY26	FY25	Change	
Revenue	329.0	376.7	(12.7%)	FY26 statutory EBITDA declined across all regions, with South America's loss widening further. NPAT fell sharply on lower volumes, though the Group remained profitable and cash generative
EBITDA	19.3	41.7	(53.3%)	
EBITDA margin	5.9%	11.1%	(46.6%)	
Depreciation expense	(8.3)	(8.6)	(3.6%)	
Amortisation expense	(1.3)	(1.2)	7.7%	
Interest revenue	1.7	1.5	14.6%	
Finance Costs	(3.2)	(3.7)	(13.0%)	
Profit before tax	8.1	29.6	(72.1%)	
Net Profit after tax	6.4	26.3	(75.9%)	
Earnings per share (cents)	**1.04**	**4.29**	**(76.2%)**	

Austin's statutory FY26 EBITDA margin of 5.9% was down 5.2 percentage points on the prior year.

Labour costs, incorporating both Austin employees and third-party contractors, increased marginally as a percentage of revenue, from 42.1% in FY25 to 44.8% in FY26, reflecting operational inefficiencies for the volumes produced.

Materials and consumables increased marginally from 30.9% in FY25 to 33.6% in FY26, reflecting the impact of production inefficiencies and product mix with lower margin work during FY26.

Other expenses decreased against FY25 as the Group reduced discretionary consultancy and travel spend in response to softer trading conditions.

Production operational expenses decreased across all regions in line with lower production activity.

Other income of $2.0 million was lower than the $4.0 million recorded in FY25, mainly reflecting a smaller contribution from scrap steel income and the one-off impact of write-back of assets in the prior year.

Depreciation and amortisation costs totalled $9.7 million, broadly consistent with $9.9 million in FY25.

Net finance costs decreased to $1.5 million compared to $2.2 million in the prior year, reflecting lower net debt and higher interest income.

Tax expense represented an effective tax rate of 20.6% of profit before tax, reflecting the mix of profits and losses across tax jurisdictions.

Group net profit after tax in FY26 was materially impacted by lower volumes across all three regions, with South America's widening loss the most significant driver of the decline.

Continuing and Discontinued Operations

		FY26	FY25	FY24
Revenue	$M	329.0	376.7	308.3
EBITDA	$M	19.0	41.4	41.4
EBITDA margin	%	5.8%	11.0%	13.4%
NPAT	$M	6.1	26.0	22.2
Earnings per share	c	0.98	4.23	3.78
Diluted earnings per share	c	0.96	4.15	3.58

Financial Review
(continued)

Working Capital Reduction Supported the Group's Cash Position

Operating cash flow increased by $24.1 million to $26.7 million in FY26, from $2.6 million in FY25, driven by the unwind of working capital inventory.

Net debt, before considering property leases, decreased by $7.0 million to $5.8 million as of 30 June 2026, with a gearing ratio of 4.2%. The reduction reflects lower capital expenditure and the release of working capital during the year.

Cash of $17.1 million at period end decreased by $3.0 million during the year.

Financial Summary		FY26	FY25	FY24
Cash flow from operations	$M	**26.7**	2.6	35.5
Net investment outflow	$M	**(6.4)**	(12.6)	(8.4)
Gross debt at end of period	$M	**(38.0)**	(52.2)	(46.0)
Cash at end of period	$M	**17.1**	20.1	40.2
Net debt at end of period	$M	**(20.9)**	(32.2)	(5.8)
Total gearing ratio	%	**13.5%**	18.3%	4.7%
Bank gross debt at end of period	$M	**(22.9)**	(32.8)	(30.6)
Net bank (debt)/ cash (excl. property leases)	**$M**	(5.8)	**(12.8)**	**9.6**
Bank gearing ratio	%	**4.2%**	8.2%	-%

Working Capital Decrease of $17.9 million

Net working capital decreased from $68.5 million to $50.6 million as of 30 June 2026 due to:

- Inventory decreased by $32.2 million, reflecting the unwind of North America work-in-progress and the reduction of elevated South America raw material and work-in-progress balances built up in the prior year to support the OEM contract.
- Trade and other receivables decreased by $11.5 million, in line with lower production and sales volumes across the Group.
- Trade and other payables decreased by $21.9 million, in line with lower purchasing activity and reduced steel procurement across the Group.
- Customer advance payments decreased by $4.0 million, broadly in line with the lower level of order intake during the year.

Working capital is expected to remain tightly managed in FY27, with continued focus on inventory discipline and receivables collection across all regions.

Working Capital	FY26	FY25
Customer advance payments	**(19.6)**	(23.6)
Other payables	**(34.1)**	(37.7)
Trade payables	**(23.3)**	(41.6)
Inventory	**55.7**	87.9
Other receivables	**17.1**	21.1
Trade receivables	**54.8**	62.4
Net working Capital	**50.6**	68.5

Sustainability Report

Snapshot

- GHG emissions fell 24%, driven by a 10% reduction in Scope 1 and 29% reduction in Scope 2 emissions.
- 1,553 tonnes of ferrous metal recycled from landfill across North America, recovering more than USD 295,000 in gross material value.
- Steel recycling program launched in Indonesia to reduce waste volumes, lower procurement costs and enable material reuse.
- The austIQ platform advanced mining equipment wear management through predictive analytics, helping optimise asset performance and equipment life.
- Zero fatalities globally.
- LTIFR reduced by 50.2% and TRIFR by 36.5% compared with FY25.
- Female workforce representation grew from 7.6% to 10.8%.
- No modern slavery identified within our supply chain.

About This Report

This Sustainability Report provides information on Austin Engineering Limited's Environmental, Social and Governance (ESG) performance for the year ending 30 June 2026 ('FY26'). It is a supporting insert to our 2026 Annual Report and has been prepared with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards. Any feedback or requests for additional information can be directed to compliance@austineng.com.au.

Our Approach

Austin is committed to embedding sustainability principles throughout its operations and decision-making processes. Our proactive approach focuses on environmental stewardship, responsible product development, ethical supplier relationships, and positive community impact across our global footprint. This commitment aligns with and is guided by our Core Values, which form the foundation of our business culture and operations.

In FY26, we consolidated our material topics internally to ensure a continued focus on our most significant impacts on the economy, environment, and people across our activities and business relationships. In determining our material topics, we considered our sustainability impacts and risks, the global context in which we operate, and investor and stakeholder interests.

Material Topic	Why is it material?
Environment Topics	
Product Innovation	Improving equipment performance and efficiency creates shared value for our customers and the broader mining supply chain.
Energy and Emissions	Managing energy use and greenhouse gas emissions addresses transition risks and supports sustainable long-term growth.
Material Efficiency and Waste Management	Maximising resource utilisation and embedding circular economy principles across our operations supports the resilience of our business.
Health, Safety and Wellbeing	Our Safety, Health and Environment (SHE) program promotes a proactive safety culture that protects our people across all levels of the business.
Diversity and Inclusion	We aim to build a high-performing, inclusive workforce by attracting, developing and promoting diverse talent across our global operations.
Human Rights and Modern Slavery	Managing supplier relationships and sourcing practices supports a risk-based approach to human rights and modern slavery.
Community Partnerships	Partnerships, sponsorships and community investment initiatives support Austin in creating shared value for communities in the regions where we work.
Corporate Governance	Strong corporate governance is fundamental to enhancing performance and ensuring transparency and accountability across our global organisation.
Business Ethics and Risk	Ethical and transparent practices build trust with our employees, customers, suppliers and communities. Management and oversight of our key risks is fundamental to strategic objectives and ensuring business continuity.

STAKEHOLDER ENGAGEMENT

Strong relationships and regular dialogue with our investors, customers, employees, industry partners, regulators and local communities ensure our business decisions reflect the priorities of those connected to Austin.

During the reporting period, we engaged with each of our key stakeholders on the topics most relevant and of interest to them. This included regulators, communities where we operate, clients, employees, supply chain partners, investors and industry groups. No significant new issues emerged during these engagements.

Membership of key industry associations provides opportunities to understand, learn and contribute to industry best practice and innovation. Our participation provides an avenue to engage in and influence matters affecting our industry. In FY26, we retained our industry membership across Australia (CCI WA, Austmine), Indonesia (APINDO), North America (WMA, NMA, SME, CIM, CACC), and South America (AIA, Auscham).

CORPORATE GOVERNANCE

We are committed to upholding strong corporate governance standards that enable us to meet our legal and ethical obligations, and build trust with our shareholders, customers and communities. Austin's FY26 Corporate Governance Statement outlines the governance principles and practices that guide our approach. Governance is overseen by the Board and is in line with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board is responsible for overseeing and holding management accountable for the Company's sustainability performance. The Board approves our Global Environmental Sustainability Policy and, with the support of its standing Committee, oversees the governance, strategy, risk management and performance of Austin's sustainability focus areas.

The Safety, Health and Sustainability Charter was updated in FY26 and formalises the structure and operation of the Safety, Health and Environment

Sustainability Report
(continued)

(SHE) Committee, which requires a minimum of three Board members, a majority of independent Directors, and an independent Non-Executive Director as Chair. At least two meetings are held each year, with further meetings held by the SHE Committee if required. The Committee meetings include in-depth discussions on policies, standards and strategies to mitigate sustainability risks, drive regulatory compliance and deliver on public sustainability commitments. The Committee also contributes to the materiality assessment process and approves the annual Sustainability Report.

BUSINESS ETHICS AND RISK

Accountability is one of Austin's six Core Values and reflects our commitment to taking ownership of the work we deliver, the decisions we make and the outcomes we achieve. Effective risk management enables us to identify priorities, allocate resources, and meet the standards and expectations of our stakeholders.

Austin's Code of Conduct sets the standard for ethical behaviour across our global operations. Our approach to risk management is governed by our risk management framework. Austin also maintains an Anti-Bribery and Anti-Corruption Policy and Whistleblower Policy, available on the Company's website.

In FY26, Austin maintained its corporate risk register, with management conducting quarterly risk reviews and reporting outcomes directly to the Audit and Risk Committee. Austin progressed the development of individual risk registers in each business unit to support a more tailored risk management approach at the business unit level.

Austin maintains robust internal systems to safeguard its intellectual property and protect the data of customers, suppliers and employees. Our approach to cybersecurity is governed by the Austin Engineering Global IT Framework, Policy and Standards which sets the policies and controls used across all business units globally. Austin aligns with ISO 27001 Information Security, which guides the development and implementation of IT policies.

During FY26, Austin continued to strengthen system security through improvements to identity and access management, infrastructure currency, and alignment with evolving security standards and industry best practices. Quarterly cyber awareness training was mandated across the organisation to further embed a security-conscious culture. Austin has a breach response and business continuity plan in place to be activated immediately in the event of a cyber incident.

Our Priorities

PRODUCT INNOVATION

Our ambition is to apply leading engineering, design, innovation, and technology to help customers simultaneously improve efficiencies and support their decarbonisation strategies. Led by our innovation teams across Perth and North America, accountability for product innovation sits with the Chief Operating Officer and VP Americas, with the Board providing final strategic direction and approval.

Austin's products deliver high returns on investment to customers through performance enhancement. They support more sustainable mining operations by delivering low cost per tonne and reducing fuel usage per material carried. Our products undergo engineering validation, software analysis and a cross-functional review to ensure they are practical, manufacturable, and ready for market.

In FY26, Austin demonstrated its commitment to product innovation through a number of key initiatives:

- Enhancements of the austIQ platform, leveraging predictive analytics and automation to enhance wear management solutions, providing our customers insights into asset performance and life optimisation.
- Enhancements to the Armadillo Dipper Bucket, with a lighter door and redesigned structural components to improve operational efficiency.
- Progressing a new tray design through engineering validation and manufacturing review to commercial readiness, with customer trials planned ahead of broader market release.
- Refined key product designs to reduce weight and improve payload efficiency through optimised plate nesting and reduced material waste across Austin's steel product range.
- Expanded customer adoption of Austin's bucket and tray solutions in response to customers seeking higher loading and hauling efficiencies and improved performance.

Looking to FY27, Austin will continue refining its Armadillo Dipper Bucket using real-world field data and will advance a confidential new truck body design towards market. Austin aims to continue developing the austIQ platform, leveraging field insights to extend equipment life, inform product development and support the delivery of more efficient mining solutions.

ENERGY AND EMISSIONS

As a global manufacturer, effective management of energy use and emissions directly shapes the resilience of our business. Accountability for energy and emissions management sits with the Chief Operating Officer and VP Americas, reflecting Austin's preparation for mandatory reporting under the Australian Sustainability Reporting Standards (ASRS) from FY27. The Board receives monthly updates on energy and emissions performance and initiatives.

Austin monitors Scope 1 and Scope 2 greenhouse gas emissions across its global operations in line with the GHG Protocol. In FY26, total emissions decreased by 24%, driven by a 10% reduction in Scope 1 emissions and a 29% reduction in Scope 2 emissions. This was driven primarily by lower electricity and heating gas consumption, and a coordinated shift toward structured energy efficiency and emissions reduction initiatives across the global business.

In FY26, Austin formalised an emissions target-setting process requiring each business unit to demonstrate year-on-year reductions in both waste to landfill and CO2 emissions.

Targets are assigned at the business unit level, reviewed quarterly and reported to the Board, supporting greater visibility and accountability.

In FY26, Austin advanced its energy and emissions approach across its global operations:

- The Casper facility in Wyoming completed a LED lighting upgrade, replacing 36 overhead fixtures across six bays to reduce energy consumption and improve on-site lighting.
- The Kewdale facility in Perth progressed a 408.33 kWp / 440 kVA rooftop solar PV system through design, structural assessments, regulatory approvals and installation planning to establish on-site renewable energy generation.
- The La Negra facility in Chile approved a CO^2 reduction strategy in March 2026, establishing initiatives focused on zero-leaks, LED optimisation, circular economy practices, paperless office adoption and treated water reuse.

Sustainability Report
(continued)

FY26 Performance

	FY24	FY25	FY26
Total Energy Consumption (GJ)	36,017	39,032	34,666
Scope 1 GHG emissions (t CO2-e)	2,967	3,737	3,368
Scope 2 GHG emissions (t CO2-e)	8,651	9,671	6,867
Total GHG emissions (t CO2-e)	**11,618**	**13,408**	**10,235**

In FY27, Austin plans to develop a formal Environmental Management Plan to sit beneath the Global Environmental Sustainability Policy, providing a structured framework to document objectives, targets, and initiatives consistently across the business.

In response to the incoming Australian Accounting Standards Board (AASB) S2 Climate-related Financial Disclosure requirements, a climate reporting readiness assessment was undertaken during the period, and a Board-approved action plan was implemented. Austin is evaluating the implementation of carbon accounting software designed to automate emissions data collection, improve accuracy, and reduce reliance on manual processes. This will support development of our FY27 greenhouse gas inventory in readiness to comply with the new Australian standards from FY27.

MATERIAL EFFICIENCY AND WASTE MANAGEMENT

How we manage materials and waste has a direct impact on our operational efficiency and ability to extract maximum value from every resource across our global operations.

Austin's approach to material efficiency and waste management is guided by the Global Environmental Sustainability Policy and underpinned by ISO 14001:2015 Environmental Management Systems across applicable business units. During FY26 waste performance was monitored monthly across each business unit, while Austin commenced planning for the transition to the revised ISO 14001:2026 standard. This approach is supported by our steel management strategies, which prioritises the reuse of materials from fabrication, maintenance and repair activities to reduce the need for energy-intensive recycling.

In FY26, Austin progressed a range of material efficiency initiatives across its global operations:

- In Australia, operations introduced a three-bin waste segregation system across all office, canteen and workshop spaces to improve waste diversion from landfill. This initiative was implemented to build employee awareness and embed waste separation behaviours on site.
- In Indonesia, Austin developed and implemented an internal steel recycling initiative, establishing dedicated storage areas for steel offcuts to enable reuse of existing materials. The program is monitored monthly and directly supports material efficiency by reducing the volume of steel sent to waste and lowering procurement costs associated with new materials.
- In North America, Austin expanded its waste recovery initiatives by introducing cardboard recycling, alongside ferrous metal recovery and wood and scrap separation. In FY26, these initiatives recycled 1,553 tonnes of ferrous metal, generating USD 0.295 million in gross value. Additionally, 0.43 tonnes of cardboard were also recovered.
- In Chile, La Negra formalised a waste reduction and circular economy plan, introducing steel segregation, offcut reuse, pallet repair, timber donation, washable rag adoption, and coolant life extension initiatives.

FY26 Performance

	FY24	FY25	FY26
Total waste generated (tonnes)	5,234	6,101	4,875
Waste recycled (tonnes)	4,952	5,717	4,394
Waste recycling rate (%)	95%	94%	90%

In FY27, Austin will continue to improve its waste management system, procedures and plans to ensure that material efficiency initiatives are consistently captured within the sustainability reporting framework so that the full scope of activity is reflected in disclosed performance.

HEALTH, SAFETY AND WELLBEING

We are focused on protecting our people from harm and fostering a culture where safety is everyone's responsibility. Our approach is guided by our Global Safety and Health Policy which applies to all employees, contractors, and site visitors across our global operations.

Ultimate responsibility for Health, Safety and Wellbeing sits with the Board. Safety and health performance is reported to the Board and to the Safety, Health and Environment (SHE) Committee. The CEO conducts monthly reviews with each business unit to assess progress against safety targets and objectives.

Austin maintains ISO 45001:2018 certification for Occupational Health and Safety Management Systems in Australia, with rollout to other business units planned in future years where appropriate. Austin's Global Head of Safety, Health and Environment reports directly to the Chief Executive Officer, strengthening executive accountability for safety performance.

During the period, Austin recorded significant improvements across its key safety performance indicators. Our LTIFR decreased by 50.2% and TRIFR decreased by 36.5%, reflecting a strengthened focus on fatality prevention through the continued development of our Life Saving Controls program.

The program is designed to provide clear, consistent expectations for the management of critical risks across the business, supported by visible leadership, strong field engagement and proactive safety observations.

Austin's leadership teams continue to play an important role in reinforcing these controls through regular engagement with frontline teams, verification of critical controls and a shared commitment to improving safety culture.

This approach supports stronger risk awareness, more consistent safety conversations and improved identification of lead indicators across operational environments.

In addition, Austin's SHE Leaders Committee developed and implemented a Global Lifting Standard, establishing consistent requirements for the use of mobile equipment, cranes, forklifts and associated lifting operations across all business units.

The standard strengthens controls for Austin's critical safety risks, improving the consistency of lifting practices and reducing operational risk across the business.

To support improved health and wellbeing in FY26, Austin completed a psychological risk assessment across applicable business units. Actions arising from the assessment were tracked and reported to the Board and Safety, Health and Environment committee.

The assessment was completed across all business units except Indonesia, where implementation will continue in FY27. Austin continues to provide employees with access to an Employee Assistance Program (EAP) globally.

Sustainability Report
(continued)

FY26 Performance

Metric	FY24	FY25	FY26
LTIFR (per million hours worked)	3.0	4.1	2.0
TRIFR (per million hours worked)	9.6	13.3	8.4
Total workforce (employees + contractors)	1,446	1,616	1,314
Person-hours worked (millions)	3,026,628	3,690,065	2,971,104
Number of fatalities	0	0	0

In FY27, Austin plans to further strengthen its Health, Safety and Environment management system, through the continued development of a global quality framework. This framework will support improved document control, governance, procedures and plans, while enabling greater alignment with emerging legislative requirements.

Austin is also committed to investing in the capability and development of its teams, with a focus on building HSE leadership, improving risk awareness and strengthening the use of lead indicators to drive proactive safety performance. This collective approach will support a stronger safety culture, where accountability for health, safety and environment outcomes is embedded across all levels of the organisation. These initiatives are intended to enhance consistency, assurance and operational discipline across Austin's global business, while supporting continuous improvement in health, safety and environmental performance.

DIVERSITY & INCLUSION

Austin is committed to fostering a workforce that is engaged, inclusive and reflective of the communities where we operate. Diversity and inclusion is overseen by our Board and guided by our Global Inclusion and Diversity Policy and our Respect at Work Policy. Our approach is supported by measurable diversity targets and annual disclosure of Gender Equality Indicators to the Workplace for Gender Equality Agency as part of the Workplace Gender Equality Act 2012.

Austin's Code of Conduct establishes the behaviours expected of all employees and promotes a workplace free from harassment, bullying, hostility and discrimination. This is underpinned by our framework for ethical decision-making that guides employees to act in accordance with Austin's values, policies and legal obligations.

A key challenge for Austin globally is attracting a diverse candidate pool, particularly females into trade and operational roles. In FY26, total workforce decreased, with the majority of reductions occurring in trade-based roles where male representation is historically high. As a result, female representation across the total workforce increased from 7.6% to 10.8%, with total female employees rising from 99 to 118.

At the management level, female representation declined from 21% to 18%, while female directors decreased from 20% to 17% following the appointment of an additional male director. Austin remains focused on strengthening gender diversity across leadership and over the long term.

In relation to remuneration performance, the Median Australian Total Remuneration gender pay gap decreased by 4%, Average Australian Base Salary gender pay gap decreased from 2.1% to 1.8% and Median Australian Base Salary gender pay gap decreased from 8.9% to 1.6%.

During the period, Austin maintained its relationship with the Clontarf Foundation, providing pathways to support young Aboriginal and Torres Strait Islander men in Western Australia. In FY27, Austin is working toward placing two apprentices through the Clontarf Foundation, reflecting our commitment to creating tangible employment pathways for Indigenous young people.

FY26 Performance

Metric	FY24	FY25	FY26
Female Directors (%)	20%	20%	17%
Female managers as % of all managers	25%	21%	18%
Female employees as % of total workforce	7.5%	7.6 %	10.8%
Total female employees (#)	86	99	118
Total female contractors (#)	18	23	19

In FY27, Austin aims to leverage improvements in its data capture system to better understand workforce composition and identify areas for targeted action. Austin will continue to meet its obligations under the Workplace Gender Equality Act and review opportunities to strengthen its approach to diversity and inclusion.

HUMAN RIGHTS AND MODERN SLAVERY

Austin is in the early stages of developing a modern slavery risk assessment framework to support the identification and assessment of modern slavery risks across its supply chain. Our Code of Conduct, Supplier Code of Conduct, and Whistleblower Policy facilitate the identification of these risks. The Supplier Code of Conduct requires suppliers to treat employees fairly and make reasonable efforts to address human rights. Austin also has obligations under its customer supply agreements to address modern slavery requirements.

In FY26, Austin continued to strengthen governance across its supply chain through supplier engagement, procurement processes and stock and materials controls to improve oversight and support compliance. A focus was placed on our major steel suppliers, particularly those operating across multiple continents.
In December 2025, Austin published its fourth annual Modern Slavery Statement in accordance with the Modern Slavery Act 2018 (Cth).
No modern slavery was identified within our supply chain during the reporting period.

In FY27, Austin intends to develop and implement a Human Rights Policy across the global organisation.

COMMUNITY PARTNERSHIPS

Our global footprint creates opportunities to invest in and support the communities where we operate. These opportunities are assessed based on their impact and alignment with Austin's values, and are overseen by senior leadership across Australia, Indonesia, North America and South America.

In FY26, Austin strengthened its community partnerships through a range of initiatives:

- The *'Build the Future Art Challenge'* with the Girrawheen Academy in Western Australia in partnership with the Clontarf Foundation engaged 10 students and promoted pathways into the resources sector.
- Sponsorship of the Gold Diggers team in the 2026 MACA Cancer 200 (Ride for the Perkins), contributing $10,000 to the Harry Perkins Institute of Medical Research in partnership with Newmont to support cancer research in Western Australia.
- Support for workforce development initiatives, including the Wyoming Educational Outreach Program and SkillsUSA Wyoming. Austin donated steel and materials to support local school welding and fabrication programs. Employees also led fundraising efforts in support of Special Olympics Team Wyoming.
- Austin Engineering Indonesia (AEI) hosted an Iftar Gathering and Orphan Donation Program in commemoration of International Women's Day, donating basic necessity packages to 40 orphaned children, representing a total program value of $1,300.

In FY27, Austin plans to continue its partnership with the Clontarf Foundation across Australia, exploring additional student engagement initiatives to strengthen the pathway between education and employment.

Austin's Indonesian operations will continue their long-term partnership with Batam State Vocational High School (SMKN 6 and SMKN 8). Planned initiatives include on-the-job training, factory visits, career talks, mentoring and scholarships to strengthen pathways from education to employment. Approximately 20 students are expected to participate in on-the-job internship opportunities at the AEI workshop during FY27.

In the United States, Austin will continue supporting SkillsUSA Wyoming, educational outreach and welder training programs, and employee-led initiatives such as the 'Keep Westech Trail Beautiful' river clean-up program.

Risk Management

Austin's Enterprise Risk Management Standard underpins and drives the identification, management, and mitigation of risk, which in turn creates a risk-aware corporate culture. Key risks are periodically reviewed and reported to the Audit and Risk Committee, and to the Board.

The key risks to Austin's ability to successfully operate a global business, grow and remain cost competitive, and the strategies devised to mitigate these risks are summarised below.

ECONOMIC RISK

As a global organisation, Austin's revenue and earnings are influenced by a range of factors including commodity prices, ore and waste volumes moved, competition, customer capital allocation, volatile freight costs, exchange rates, tariff exposure, and supply chain input cost inflation. Reduced demand for commodity inputs can lead to a decrease in demand for new and replacement equipment by our customers. Austin manages economic risk by engaging with our customers to plan replacement cycles, allowing customers flexibility on product supply timelines, product diversification across markets, operating in numerous geographical locations, broadening our customer base and flexing cost structures. Since a significant portion of our sales and operating costs are realised in foreign currencies, foreign currency rate fluctuations can impact our financial results both negatively and positively.

CYBER SECURITY AND IT RISK

Targeted cyber-attacks or unauthorised access to Austin's IT systems pose risks to Austin including reputational damage, financial loss, operational disruption, and breaches of regulatory compliance obligations. Austin has developed, and continues to update, its IT policies, procedures and practices including the unauthorised use of proprietary company information, personal devices, IT systems and IT security. To mitigate these risks, Austin maintains ongoing mandatory employee training and education for users in all locations. In FY26, Austin continued with the implementation of systems for the transfer of data and back-up to reduce the risk of data loss through system failure or data theft. In the event of a cyber event, the data breach response and recovery plan will be activated to respond to, and help mitigate, the effects of such events.

PEOPLE RISK

The ongoing shortage of skilled labour in some locations continues to place pressure on our ability to attract, grow and retain critical and diverse talent in those workforces. Austin aims to mitigate risks through remunerating competitively in relevant employment markets, identification of critical roles, and the implementation of succession and retention plans. Efforts are continuing to support, attract and develop skilled labour through apprenticeship programs, weld schools and work experience programs.

HEALTH AND SAFETY RISK

We manufacture our products in locations globally and the operational risks associated with the manufacture of large truck bodies, buckets and other large equipment require vigilant safety management across the organisation. Austin has a no risk tolerance for activities that may cause injury or loss of life. Austin has a comprehensive Occupational Health and Safety management system in place, designed to ensure proactive health and safety risk identification, mitigation and management strategies across all locations. Austin remains committed to refining and improving safety management practices already adopted in all workplaces.

REGULATORY & COMPLIANCE RISK

Austin's businesses operate in different jurisdictions and are subject to various legal frameworks, laws and regulations including, but not limited to, anti-bribery and anti-corruption, sanctions regimes and anti-trust laws, as well as domestic and international laws. Risks of non-compliance or breach of local and international laws includes, amongst other impacts, damage to Austin's reputation. Changes in laws and government policy in Australia or elsewhere may affect Austin's operations, assets, contracts, and profitability. To monitor changes to laws and identify regulatory risks, Austin engages industry associations and regulatory bodies, consultants, and other advisors to provide independent advisory services. Risk mitigation efforts include internal legal resourcing, a comprehensive delegation of authority framework, and the implementation of contractual requirements for suppliers' compliance with all laws.

STRATEGIC RISK

Austin is continually pursuing business growth opportunities and critically evaluating strategic alternatives for long-term sustainability of the production of high-quality products for its customers. In FY26 Austin continued its business growth and market diversification activities in India, Africa, Eastern Europe and Central America.

INNOVATION RISK

Austin prides itself on bespoke design and engineering solutions that meet customers' needs around product capability and performance. Delivering innovative solutions to our customers is key to our continued success. Technology and innovation within our designs and products helps Austin to stay competitive and differentiates us from our competitors. Price, quality, delivery, technological innovation and engineering development are the primary elements of competition in our market. Risks to our innovation advantage are addressed across the business by attracting the best people, ensuring protection through intellectual property, and investing in future operations.

SUPPLY CHAIN RISK

Timely and cost-effective supply of steel continues to represent a risk to Austin's ability to manufacture our products. Austin is reliant on a few strategic global suppliers for the quantities and quality of steel we require for production. Market protectionism, tariffs and fluctuating freight costs continue to pose a risk to the secure ongoing supply of cost-effective steel. Austin incorporates forecasting on a rolling basis enabling scenario planning and some supply flexibility. To address these risks, strategies have been developed to implement a centralised bulk steel inventory management program to optimise steel requirements for all business divisions, including the implementation of a global quality assurance system, to greatly improve Austin's competitiveness and ensure steel supply stability with major steel mills.

Directors' Report

30th June 2026

The Directors present their report, together with the financial statements, on the Consolidated entity (referred to hereafter as the 'Group' or the 'Consolidated Entity') consisting of Austin Engineering Limited (referred to hereafter as the 'parent entity' or 'the Company') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jim Walker	Chair, Non-Executive Director
Sybrandt van Dyk	Managing Director and Chief Executive Officer
David Singleton	Non-Executive Director
Chris Indermaur	Non-Executive Director
Linda O'Farrell	Non-Executive Director
Ian Stone	Non-Executive Director

Mr Sybrandt Van Dyk commenced in the role of Executive Director on 1 May 2025 and then Managing Director and Chief Executive Officer effective 1 July 2025.

Ian Stone appointed as Non-Executive Director effective from 1 July 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were the manufacture, repair, overhaul and supply of mining attachment products and other associated products and services for the industrial and resources-related business sectors.

DIVIDENDS

A fully-franked interim dividend of 0.3 cents per share was declared on 26 February 2026 (2025: Interim 0.6 cents per share) and was paid to holders of fully paid ordinary shares on 10 April 2026.

REVIEW OF OPERATIONS AND RESULTS

The net profit for the Group after providing for income tax amounted to $6.454 million (2025: $26.327 million profit after tax) from continuing operations.

The net profit after tax for the Group from continuing and discontinued operations amounted to $6.090 million (2025: $25.987 million).

A review of and information about the operations of the Group during the financial year and of the results of those operations is contained on pages 10 to 19 which form part of this Directors' report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the year.

EVENTS AFTER THE REPORTING DATE

Subsequent to year end, the Group successfully refinanced its existing banking facilities. The refinancing extended the facility term by a further three years to November 2029, with no significant changes to the key terms, conditions or funding arrangements. All legal documentation associated with the refinancing was completed on 24 August 2026.

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the financial period, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group in future financial years and the expected results of those operations have been included within the annual report and on pages 6 to 9.

INFORMATION ON DIRECTORS

Jim Walker	
Independent Non-Executive Chair	
Experience and Expertise	Jim Walker has been the Chair of Austin Engineering Ltd since July 2016. Jim has over 45 years of experience in the resources sector. Jim was formerly Chair of MLG Oz Ltd, Mader Group Limited, Australian Potash Limited, Macmahon Holdings Limited, Non-Executive Director of Programmed Maintenance Services Limited and Chief Executive Officer of WesTrac Pty Limited.
Qualifications	GAICD, FAIM
Directorships held in other listed entities	None
Former directorships in last 3 years	None
Special responsibilities	Member of the Audit and Risk Committee, Member of the Safety, Health & Environment Committee and Member of the Nomination and Remuneration Committee.
Interest in shares, options and performance rights	391,000 ordinary shares.

Sybrandt van Dyk	
Managing Director and Chief Executive Officer	
Experience and Expertise	Sybrandt van Dyk has been a Non-Executive Director of Austin Engineering Ltd since 2018, before being appointed as Executive Director and Chief Executive Officer elect on 1 May 2025, and Managing Director and Chief Executive Officer effective 1 July 2025. Sybrandt brings over 30 years of experience primarily within the resources sector. Sybrandt was previously the President of Perenti's Drilling Services Division. He was Chief Executive Officer and Managing Director of DDH1 Ltd prior to its acquisition by Perenti in 2023. He has held the role of CEO and, prior to that, CFO of contract mining company Macmahon Holdings Limited. Sybrandt has also held a number of senior operational roles, including Chief Operating Officer Western Australia and Chief Financial Officer of mining equipment distributor WesTrac Group. Prior to WesTrac Group, Sybrandt's career spanned a number of senior positions within Kimberly-Clark, South Africa.
Qualifications	Bachelor of Commerce (Hons), University of South Africa; Member of Chartered Accountants Australia and New Zealand.
Directorships held in other listed entities	None
Former directorships in last 3 years	Managing Director of DDH1 Limited from 8 February 2021 to 6 October 2023.
Special responsibilities	None
Interest in shares, options and performance rights	733,500 ordinary shares.

Directors' Report
(continued)

INFORMATION ON DIRECTORS (CONTINUED)

David Singleton	
Non-Executive Director	
Experience and Expertise	David Singleton has been a Non-Executive Director since April 2019 and was appointed the interim Chief Executive Officer on 25 June 2021, and subsequently the Managing Director and Chief Executive Officer on 14 July 2021 until he stepped down on 1 July 2025. David was previously the Chief Executive Officer and Managing Director of Austal Limited. Prior to this, David was Chief Executive Officer and Managing Director of mineral explorer, Poseidon Nickel and engineering and project services contractor of Clough Limited. He has vast international business experience gained in senior executive roles in Europe and the USA. He was the Group Head of Strategy, Mergers and Acquisitions for BAE Systems based in London and spent three years as CEO of Alenia Marconi Systems, based in Italy. David has served as a member of the National Defence Industries Council in the United Kingdom, and as a board member and Vice-President (Defence) of Intellect, a leading trade association for the UK technology industry.
Qualifications	Honours degree in Mechanical Engineering from University College London and Honorary Doctor of Engineering, Edith Cowan University.
Directorships held in other listed entities	VEEM Ltd from 30 September 2025 to present.
Former directorships in last 3 years	None
Special responsibilities	Member of the Audit and Risk Committee, Member of the Safety, Health & Environment Committee and Member of the Nomination and Remuneration Committee.
Interest in shares, options and performance rights	32,827,908 ordinary shares.

Chris Indermaur	
Independent Non-Executive Director	
Experience and Expertise	A Non-Executive Director since July 2016, Chris Indermaur has over 30 years of experience in large Australian companies in engineering and commercial roles. He is currently a Non-Executive Director of Pacific Lime and Cement Limited (formerly Mayur Resources Limited). Chris was formerly a Non-Executive Director of Austal Limited. He was also the Engineering and Contracts Manager for the QNI Nickel Refinery at Yabulu, Company Secretary for QAL and General Manager for Strategy and Development at Alinta Limited. Chris previously held board positions at Poseidon Nickel Limited and Medibio Limited.
Qualifications	Bachelor of Engineering (Mechanical), Graduate Diploma of Engineering (Chemical), Curtin University; Bachelor of Laws, Master of Laws, QUT; Graduate Diploma in Legal Practice, ANU.
Directorships held in other listed entities	Pacific Lime and Cement Limited from 16 September 2021 to present.
Former directorships in last 3 years	Austal Limited from 19 October 2018 to 1 November 2024.
Special responsibilities	Chair of the Safety, Health & Environment Committee and a Member of the Audit and Risk Committee and Nomination and Remuneration Committee.
Interest in shares, options and performance rights	200,000 ordinary shares.

INFORMATION ON DIRECTORS (CONTINUED)

Linda O'Farrell	
Independent Non-Executive Director	
Experience and Expertise	A Non-Executive Director since September 2022, Linda is a senior executive with extensive experience in the global resources sector. Linda is the founder of Go Higher Pty Ltd, a purpose driven consultancy inspiring companies and leaders to go higher and transform culture and contribution and was recently Director-Fortescue People at Fortescue Metals Group Ltd. Linda has shaped people and culture strategy for leading companies including Newcrest, BHP, Mount Gibson Iron and led the People and People Operations teams for Fortescue Metals Group (FMG), during a period of rapid growth both in the metals and energy business from 2013 to 2022. Linda is currently a Non-Executive Director of SRG Global Ltd. Linda was also the Chair of Remsmart and is on the Board of Lifeline Australia.
Qualifications	Bachelor of Economics (Honours in Industrial Relations) from the University of Western Australia; Member of the Australian Institute of Company Directors and Chief Executive Women.
Directorships held in other listed entities	SRG Global Ltd from 1 July 2025 until present.
Former directorships in last 3 years	None
Special responsibilities	Chair of the Nomination and Remuneration Committee, Member of the Audit and Risk Committee and Member of the Safety, Health & Environment Committee.
Interest in shares, options and performance rights	Nil.

Ian Stone	
Independent Non-Executive Director ***(appointed 1 July 2025)***	
Experience and Expertise	Ian is an accomplished CEO and Non-Executive Director with more than 30 years' experience in the financial services sector in Australia and internationally. A Fellow of the Institute of Chartered Accountants (Australia and New Zealand) and the Australian Institute of Company Directors, Ian is a strategic leader with deep expertise in governance, risk management, compliance, change management, and financial oversight. Ian has held executive and board roles across a range of sectors including financial services, automotive, travel, and professional education. He is a highly experienced Chair of Audit and Risk Committees, having served in multiple heavily regulated industries requiring strategic navigation of evolving governance standards and the economic impacts of climate change.
Qualifications	Bachelor of Economics from the University of Adelaide; Advanced Management and Leadership Programme at Oxford University; Columbia University's FIA University Senior Executive Program and Fellow of the Australian Institute of Company Directors.
Directorships held in other listed entities	None
Former directorships in last 3 years	None
Special responsibilities	Chair of the Audit and Risk Committee, Member of the Nomination and Remuneration Committee and Member of the Safety, Health & Environment Committee.
Interest in shares, options and performance rights	73,170 ordinary shares.

INFORMATION ON COMPANY SECRETARY

Sarah Wilson
Company Secretary
Sarah Wilson is a governance professional with over 12 years of experience in governance and administration of publicly listed companies, primarily within the resources sector. She has acted as Company Secretary for numerous ASX-listed companies and has extensive knowledge and expertise in regulatory compliance, corporate administration, and strategic governance. She is currently Company Secretary for Mader Group Limited (ASX.MAD). Sarah is a Director of Magnolia Corporate Pty Ltd, a boutique consultancy firm, specialising in company secretarial services.

Directors' Report
(continued)

CORPORATE GOVERNANCE STATEMENT

Austin Engineering Limited is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders and our global stakeholders.

The Company complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ('the ASX Principles').

The 2026 Corporate Governance Statement, which is available at www.austineng.com, reflects the corporate governance practices in place throughout the 2026 financial year.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2026, and the numbers of meetings attended by each Director were:

Director	Board Meetings		Audit & Risk Committee		Nomination & Remuneration Committee		Safety, Health & Environment Committee	
	A	B	A	B	A	B	A	B
J Walker	11	11	3	3	2	2	4	4
D Singleton	11	11	3	3	2	2	4	4
C Indermaur	11	11	3	3	2	2	4	4
S van Dyk *	11	11	3	3	2	2	4	4
L O'Farrell	11	11	3	3	2	2	4	4
I Stone	11	11	3	3	2	2	4	4

* Mr van Dyk attended the Audit & Risk, Nomination & Remuneration and Safety, Health & Environment Committee meetings at the request of the Board.

Note:
A: Number of meetings held during the time the Director held office during the year or was a member of the relevant committee.
B: Number of meetings attended by Director.

MESSAGE FROM THE CHAIR OF THE NOMINATION & REMUNERATION COMMITTEE

Dear Shareholders,

As Chair of Remuneration Committee, and on behalf of the Board, I am pleased to present to you the Remuneration Report for the Financial Year Ended 30 June 2026 (Report).

For FY26 remuneration outcomes, the context for shareholders was clear. Austin's share price had seen declines, amidst operational challenges. While significant work has already occurred to turn these challenges around, it has not yet changed this context for shareholders.

As such we were mindful that FY26 remuneration outcomes should not differ markedly from shareholder outcomes. The CEO has specifically declined any short-term incentive for FY26, following a similar election in FY25. The options approved as part of long-term incentive for the CEO at the 2025 AGM have not been issued and will be formally withdrawn as I will touch on shortly.

The incentive plans, both long and short term, for other KMP (i.e. the CFO and COO) have in some cases paid out partially, but in general have not paid out over the past 2 years. Austin's existing Performance Rights Plan, which currently applies in part to the CFO and extends beyond the KMP, has not paid out over the past 2 years. Cumulatively, we are satisfied that executive remuneration in the past 2 years has not outmatched shareholder returns.

Over the past year, the Board has determined that the remuneration structure going into FY27 should be rebuilt. While it was clear that remuneration outcomes were not adrift from shareholder outcomes, there was agreement that the LTI incentives could be better structured, and that there could be much better consistency in structure across the KMP group. Currently the CEO, CFO and COO all have quite different STI and LTI arrangements. Additionally, a consistent structure would then flow down to the rest of the business.

The Remuneration Committee has therefore developed a new framework for KMP remuneration for FY27 forward.

The framework endeavours to balance:

- Maintaining an approach to remuneration which aligns outcomes with business performance.
- The provision of competitive remuneration outcomes, focused on motivation and retention of key staff.
- Clear shareholder expectations that executive remuneration is aligned to company performance over both the short and long term and aligned to shareholders' interests.

In terms of key features, other than a 3% increase (consistent with the rest of the organisation), fixed annual remuneration (FAR) for KMP is to remain unchanged.

For short-term incentives (STI), receiving the incentive will be based on two gateways, firstly achieving the FY27 EBITDA target, and secondly that there are no life changing safety incidents. Participation will be at 55% of FAR for the CEO, and 40% for CFO and COO. The Board retains overall discretion of awards made, including up to an additional 20% performance-based award for the CEO.

For long-term incentives (LTI), this will move away from the use of options and towards performance rights for all KMP.

Shareholders had clearly told the Board that there was a preference for LTI to be in the form of Performance Rights rather than options, including at the 2025 AGM. This approach has been adopted for the FY27 LTI plan.

Hurdles to achieve vesting of the LTI component will be based 50/50 upon growth in earnings per share (EPS) and the relative Total Shareholder Return (rTSR) for Austin.

The target for EPS growth will be at a CAGR target of 5-10%. This is in line with targets set by benchmarked peers, with Korn Ferry having been engaged to conduct independent benchmarking and to provide specialised advice. The selected EPS growth target reflects the Board's objective to correctly balance paying in line with performance and shareholder outcomes, as well as offering competitive remuneration that motivates staff, with the possibility of achieving some level of payout as stretch targets are achieved.

For the rTSR, the relative performance will be measured against the ASX 300 small ordinaries index of around 200 companies. This was considered the most appropriate index, as it captures appropriate market capitalisation companies (ranging from $200M to $2Bn), and has a high exposure to Mining and Energy (25%- 30%), much like Austin. This index is also used by the majority of Austin's peer group that utilises rTSR and appropriately represents a genuine broad slate of similar investment options shareholders might otherwise choose over Austin. LTI participation will be set at 45% of FAR for the CEO and 30% of FAR for the CFO and COO.

As mentioned previously the approved options plan for the CEO has never had any options issued and will be formally discontinued.

One of the core features of the new framework is consistency across KMP, and this same framework will flow down to executives and management, with the percentage of participation levels for STI determined by the CEO. The gateways set for the Executive Short-Term Incentive opportunity will be the same for non-executive Short-Term Incentive participants.

In formulating the new framework, the Remuneration Committee sought the views of shareholders and also engaged specialised advice from Korn Ferry.

We are satisfied that overall the revised remuneration framework was assessed to be in line with peers, for both composition, targets and amounts. There is a slight bias towards STI components over LTI components versus peers, however the Board was confident this was appropriate in the immediate term given the current strong focus on various short-term initiatives to meet current EBITDA targets and reset certain portions of the business. The Board will remain mindful of the relative balance between STI and LTI as the business context for Austin evolves.

In future years, the Board may consider the development of more detailed operational score-cards for STI but is satisfied that in the current rebuilding effort there is again a highly direct correlation between achieving the EBITDA target and executive performance.

For Director remuneration, fees have been held flat and Austin remains well within the total director fee pool approved by shareholders. Consideration of any increase has been deferred until FY27, and it is not expected that such an increase (if any) would require the approved fee pool to be lifted.

We welcome any further shareholder or stakeholder feedback on Austin's remuneration arrangements as we continue to refine the framework over time. Full details of the FY27 remuneration outcomes will of course be presented in next year's annual report.

Linda O'Farrell
Chair of the Nomination & Remuneration Committee

Audited Remuneration Report

This audited Remuneration Report ('Report') sets out information about the remuneration of the key management personnel (KMP) as defined by and in accordance with the requirement of the Corporations Act 2001 (the Act) and its regulations for the financial year ended 30 June 2026. The Report forms part of the Directors' Report for the year ended 30 June 2026.

KEY MANAGEMENT PERSONNEL

The KMP during the 30 June 2026 financial year are set out below:

Name	Position	Term as KMP
James (Jim) Walker	Non-Executive Chair	Full financial year
Christopher Indermaur	Non-Executive Director	Full financial year
Linda O'Farrell	Non-Executive Director	Full financial year
David Singleton	Non-Executive Director	Full financial year
Ian Stone	Non-Executive Director	Full financial year
Sybrandt van Dyk	Managing Director and Chief Executive Officer	Full financial year
Vincent D'Rozario	Chief Operating Officer	Full financial year
David Bonomini	Chief Financial Officer	Full financial year

EXECUTIVE REMUNERATION

Principles used to determine the nature and amount of remuneration

The objective of the Group's remuneration policy is to ensure it is competitive and appropriate for the results delivered. The remuneration of executive KMP is reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, external advisors and industry surveys may be used to ensure the KMP's remuneration is competitive with the market and relevant industry peers. Korn Ferry, a globally recognised remuneration consultant was last engaged by the Group in May 2026. The policy attempts to align executive reward with the achievement of strategic objectives and the creation of value for shareholders. The major features are:

- Economic profit is a core component;
- Attract and retain high quality executives;
- Reward capability and experience;
- Reflect competitive rewards for contributing to growth in shareholders' wealth; and
- Provide recognition for contribution.

Base pay and benefits

The fixed remuneration paid to executive KMP is based on the size and scope of their role, knowledge and experience, market benchmarks for that role, and to some extent the Group's financial circumstances. Fixed remuneration comprises base salary, any applicable role specific allowances, and superannuation.

Sybrandt van Dyk

Mr Sybrandt van Dyk was appointed as the Company's Chief Executive Officer and Managing Director effective 1 July 2025. Mr van Dyk's remuneration comprised:

- **Total fixed annual remuneration:** $650,000 per annum (inclusive of superannuation) for no fixed term. This remuneration will be reviewed annually in accordance with Group policy.
- **Short-Term Incentive (STI)**: Mr van Dyk was eligible for a cash bonus of up to $350,000 in respect of the financial year commencing 1 July 2025. The STI was contingent on achievement of performance hurdles, which are summarised on the following table:

Key Result Area	Key Performance Objectives
Safety	Continuous improvement in Group safety and compliance.
Financials	Deliver strong business outcomes including profit as defined by market guidance and develop growth opportunities.
Group	Deliver continuous improvement programs designed to strengthen capacity for growth in areas including people, systems, innovation and marketing.

- **Board Discretion:**
  - The Board retained discretion to disregard STI performance hurdles in the event of a change of control, or to amend the hurdles in the case of acquisitions, divestments, or other material events during the performance period.
  - The Board also retained discretion to increase the STI opportunity for the financial year commencing 1 July 2025 by up to 20% (to a maximum of $420,000) where it determined that the applicable performance hurdles had been materially exceeded. The Board did not exercise this discretion during the financial year.
- **Long-Term Incentive (LTI)**: Mr van Dyk is eligible to participate in the Company's long-term incentive arrangements under the Incentive Option Plan. His initial LTI opportunity comprises unlisted options with a fair value of $300,000 (as determined by an independent valuation), subject to shareholder approval where required. The options are subject to a three-year retention condition and share price performance hurdles, with the number of options, exercise price(s) and performance hurdles determined by the Board. Any future LTI grants will be at the discretion of the Board.
- **Service Bonus:** Mr van Dyk will be entitled to receive a service bonus equal to nine months of base salary (excluding superannuation and additional benefits) payable upon the occurrence of a change of control in the Company. This payment is not connected with actual or potential termination of the agreement. A change of control for these purposes is:
  - an entity (which does not control Austin) makes a takeover bid and both the bidder obtains voting power in Austin of more than 50% and the takeover offers are made or declared unconditional;
  - a scheme of arrangement transaction is approved by the requisite majorities at a scheme meeting pursuant to which an entity (which does not control Austin) will obtain voting power in Austin of more than 50%; or
  - an event or transaction by which an entity (which does not control Austin) becomes or is become the registered holder of more than 50% of the total issued shares in Austin is approved or accepted by a majority of Austin shareholders.

Vincent D'Rozario

Mr Vincent D'Rozario was appointed the Chief Operating Officer on 4 January 2023. For FY26, he received an Annual Remuneration equivalent to $511,290 per annum (inclusive of superannuation). To incentivise performance and encourage retention, the Company issued share options to Mr D'Rozario at the prevailing price on or around the time he was appointed as Chief Operating Officer. The share options are based on the Company share price performance over 3 years thereby ensuring alignment with Shareholders. The material terms of the share options are outlined on the following page.

David Bonomini

Mr David Bonomini was appointed the Chief Financial Officer 1 November 2022. For FY26, he received an Annual Remuneration equivalent to $414,000 per annum (inclusive of superannuation). The Company has entered into a cash incentive arrangement with Mr Bonomini to reward him for achieving Austin's key financial, operational and strategic objectives in the medium to long term. This is in a form that aligns the interests of the Chief Financial Officer with the Company's key strategies and share price performance. The material terms of the cash incentive arrangement are outlined below.

Short-term incentives ('STI')

For the year ended 30 June 2026, executive KMP had no short-term incentive opportunity in place and no short-term incentive payments were made to executive KMP.

Long-term incentives ('LTI')

Long-term incentive plan (LTI Plan) arrangements in place for key management personnel as at 30 June 2026 are set out over the page.

Vincent D'Rozario

The Company issued 5,000,000 Options to Mr Vincent D'Rozario (Chief Operating Officer), in accordance with the terms of the Option Plan, on 12 January 2023. The Options were issued as a key component of his remuneration package and as a LTI to perform in his role as Chief Operating Officer of the Company, ensuring continued alignment to shareholders.

Material Terms of the Options

The Options have an exercise price of $0.35 and an expiry date of 3 years and 3 months after the date of issue.

Share Price Hurdle		45 Cents	55 Cents	65 Cents	Total
Retention Dates	4 January 2024	(Tranche 1) 510,000	(Tranche 2) 540,000	(Tranche 3) 616,666	1,666,666
	4 January 2025	(Tranche 4) 510,000	(Tranche 5) 540,000	(Tranche 6) 616,667	1,666,667
	4 January 2026	(Tranche 7) 510,000	(Tranche 8) 540,000	(Tranche 9) 616,667	1,666,667
	Total	**1,530,000**	**1,620,000**	**1,850,000**	**5,000,000**

Share Price Hurdle

The Company's 60-day volume weighted average share price must meet or exceed the relevant share price hurdle relating to the relevant tranche of Options in order for the vesting condition to be satisfied.

In relation to all nine tranches of Options relating to Mr D'Rozario, the share price hurdle can be met at any point between 4 January 2023, the date Mr D'Rozario was appointed as Chief Operating Officer, and 4 January 2026.

Retention Dates

In addition to meeting the share price hurdle, for each tranche of option to become capable of exercise, Mr D'Rozario must remain in the employ of the Company and must not have resigned or been given notice of termination, on the relevant retention date (set out in the table above).

Once Options become capable of exercise, they can be exercised by paying the exercise price in cash or by way of cashless exercise. The Company has the right, in its absolute discretion, to elect to cash settle some or all of the Options exercised by Mr D'Rozario.

Vesting of Options

Of the above options issued to the Chief Operating Officer, 510,000 options (Tranche 1) vested on 2 May 2024 and 540,000 (Tranche 2) options vested on 26 July 2024 following satisfaction of the applicable retention and share price performance conditions. On 13 September 2024, these 1,050,000 vested options were converted to 321,534 ordinary shares by cashless exercise based on a 5-day VWAP of $0.504485. On 15 January 2025, 1,050,000 options granted under Tranche 4 and Tranche 5 vested following satisfaction of the applicable retention and share price performance conditions.

During the financial year, a further 1,050,000 Options (Tranches 7 and 8) vested following satisfaction of the applicable retention condition, noting that the relevant share price performance condition had been achieved in a prior testing. Accordingly, a total of 3,150,000 Options (Tranches 1,2,4,5,7 and 8) vested under the Option Plan. Of these, 1,050,000 Options (Tranches 1 and 2) were exercised into ordinary shares on 13 September 2024. The remaining 2,100,000 vested Options (Tranches 4,5,7 and 8) remained exercisable at an exercise price of $0.35 per Option until 12 April 2026. These vested Options lapsed, unexercised on 12 April 2026.

The remaining 1,850,000 Options (Tranches 3,6 and 9) did not satisfy the applicable share price performance condition within the relevant testing period and, in accordance with the terms of the Incentive Option Plan, did not vest and lapsed on 12 April 2026.

PERFORMANCE RIGHTS PLAN

At the discretion of the Board, the Company may provide a long-term incentive (LTI) opportunity to executive KMP and senior executive through the grant of performance rights. Performance Rights may vest into fully paid ordinary shares in the Company for no consideration, subject to meeting performance and/or employment conditions. The purpose of the LTI opportunity is to incentivise executive KMP and senior executive to deliver sustained increases in shareholder value over the long-term.

No Performance Rights were granted to executive KMP during the financial year ended 30 June 2026.

The Performance Rights on issue at 30 June 2026 comprised 433,000 Performance Rights previously granted to the Chief Financial Officer, Mr David Bonomini, during FY25. These Performance Rights remain subject to performance-based vesting conditions measured over the three-year performance period from 1 July 2024 to 30 June 2027.

KEY TERMS AND PERFORMANCE CONDITIONS

1. Performance Period

- 1 July 2024 – 30 June 2027
- Performance is measured cumulatively over this three-year period.
- Vesting is assessed after the release of the 30 June 2027 audited financial results.

2. Performance Hurdles (50/50 weighting)

Performance Metric	Weighting	Description
Earnings Per Share (EPS) CAGR	50%	Measured as the compound annual growth rate in statutory continuing EPS from the base year (FY25). EPS reflects company profitability and long-term shareholder value.
Total Shareholder Return (TSR) CAGR	50%	TSR includes share price growth and dividends reinvested, calculated as the percentage return to shareholders over the three-year period.

Vesting Scale

For both EPS and TSR components, vesting is based on the following scale:

CAGR Achievement	% of Rights That Vest
Less than 15%	0%
15%	50%
15% – 25%	50% + straight-line increase up to 100%
25% or higher	100%

Additional TSR Measurement Details

- Share price measured using 30-day volume weighted average prices (VWAP) at the start and end of the performance period.
- Dividends assumed to be reinvested on the ex-dividend date.
- Tax and franking credits are excluded.
- The Board may exclude abnormal, one-off, or non-recurring items at its discretion.

Summary

The 433,300 Performance Rights remain subject to the applicable EPS and TSR performance hurdles over the three-year performance period ending 30 June 2027. No Performance Rights vested or were granted during FY26. The performance rights will only vest if the Company delivers strong earnings growth and total shareholder return over the three-year period to FY27. Rights are split equally between EPS growth and TSR performance, both measured on a compound annual growth rate basis, with minimum thresholds of 15% CAGR required for any vesting to occur. The fair value of Performance Rights was determined at the grant date using the Monte-Carlo simulation model and the likelihood of achieving the performance hurdles over the stipulated performance period.

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CASH INCENTIVE ARRANGEMENT

David Bonomini

The Company entered into a cash incentive arrangement with Mr David Bonomini (Chief Financial Officer) on 21 November 2022. The cash incentive is a key component of his remuneration package and as a LTI to perform in his role as Chief Financial Officer of the Company, ensuring continued alignment to shareholders' interest.

Material Terms of the Cash Incentive

The Performance Criteria for each period is in the table below. The Chief Financial Officer must be employed with the Company at the end of each Performance Period.

Period	Performance Period	LTI Achievement Hurdle	Test Date
1	1 December 2022 to 30 June 2024	Max 60-day VWAP > 34 cents[1]	1 July 2024
2	1 July 2024 to 30 June 2025	Max 60-day VWAP > 41 cents	1 July 2025
		Un-earnt incentive from Period 1 can be earnt if the VWAP is above 34 cents	
3	1 July 2025 to 30 June 2026	Max 60-day VWAP > 47 cents	1 July 2026
		Un-earnt incentive from Period 1 and 2 can be earnt if the VWAP is above 34 and 41 cents respectively	

1: Where the VWAP is of the listed shares of Austin Engineering Limited

The Incentive for each Performance Period will be calculated using the following formula:

Period	Incentive Calculation
1	[(Max 60-day VWAP) -22 cents] x 972,094
2	[(Max 60-day VWAP) - 22 cents] x 613,953
3	[(Max 60-day VWAP) -22 cents] x 613,953

Where:

Maximum 60-day VWAP = the lower of the actual maximum 60-day VWAP in dollars for the Performance Period or 75 cents.

For Performance Period 1 and 2, the amount earnt will be calculated and 'banked' until the end date of 21 AugustUpdated with 2026 at which point all vested incentives will be recalculated using the following formula. The recalculation will only occur based on the formula below if the Chief Financial Officer is in the employ of the Company at the end date of 1 July 2026.

Period	Incentive Calculation
1	[(Max 60-day VWAP) -$0.22] x 972,094
2	[(Max 60-day VWAP) - $0.22] x 613,953
3	[(Max 60-day VWAP) -$0.22] x 613,953

Where:

Maximum 60-day VWAP = the lower of the actual maximum 60-day VWAP in dollars for the period 1 December 2022 to 30 June 2025 or 75 cents.

The Maximum Incentive that can be earnt in each Performance Period is as follows:

Period	Performance Period	Maximum Incentive
1	1 December 2022 to 30 June 2024	($0.75 – $0.22) x 972,094 = $515,210
2	1 July 2024 to 30 June 2025	($0.75 -$0.22) x 613,953 = $325,395
3	1 July 2025 to 30 June 2026	($0.75 -$0.22) x 613,953 = $325,395
	TOTAL	**$1,166,000**

Incentive for Performance Periods 1, 2 and 3

The Incentive for Performance Period 1 as outlined above has been determined in FY2024. The 60-day VWAP ending 30 June 2024 was 52.97 cents. The calculation was as per below:

Calculation = [$0.5297-$0.22] x 972,094 = $301,057.51

In accordance with the terms of the cash incentive arrangement, this amount was banked pending the final assessment at 1 July 2026.

The incentive for Performance Period 2 was assessed in FY25. The maximum 60-day VWAP for the period ended 30 June 2025 was 35.87 cents, which was below the applicable hurdle of 41 cents. Accordingly, no incentive was earned or banked for Performance Period 2.

The incentive for the Performance Period 3 as assessed in FY26. The applicable LTI achievement hurdle of a maximum 60-day VWAP exceeding 47 cents was not achieved. Accordingly, no incentive was earned for Performance Period 3.

Mr Bonomini remained employed by the Company at the final assessment date of 1 July 2026. Accordingly, the banked incentive of $301,057.51 in respect of Performance Period 1 became payable in accordance with the terms of the cash incentive arrangement. No additional incentive was earned in respect of Performance Periods 2 or 3.

Statutory Performance Indicators

The table below shows measures of the Group's financial performance over the past five years as required by the Corporations Act 2001. However, these measures are not all consistent with the measures used in determining the variable amounts of remuneration to be awarded to executive KMP. Consequently, there may not always be a direct correlation between statutory key performance measures and the variable remuneration awarded to executive KMP.

Continuing and Discontinued Operations	30 June 2026 $000's	30 June 2025 $000's	30 June 2024 $000's	30 June 2023 $000's	30 June 2022 $000's
Revenue	328,959	376,729	308,348	258,298	205,999
Earnings before interest, tax, depreciation and amortisation (EBITDA)	19,316	41,351	41,443	17,333	29,548
Net profit/(loss) after tax	6,090	25,987	22,170	2,849	16,807
Basic earnings/(loss) per share (cents)	0.98	4.23	3.78	0.49	2.89
Diluted earnings/(loss) per share (cents)	0.96	4.15	3.58	0.45	2.80
Shareholder returns					
Interim dividend - fully franked (cents)	0.30	0.60	0.40	-	0.20
Final dividend - fully franked (cents)	-	0.90	0.80	-	0.30
Share price at end of year ($)	0.14	0.32	0.58	0.28	0.23

Service Agreements

The Company's executive KMP are engaged under service agreements that are ongoing and have no fixed end date. However, these contracts may be terminated by notice from either party.

Key details of the service agreements of the current executive KMP are set out below:

	Total Fixed Remuneration including Superannuation ('TFR')	Notice Periods to Terminate	Termination Payments
Key Management Personnel during the financial year			
Sybrandt van Dyk *Managing Director and CEO*	$650,000	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements
Vincent D'Rozario *Chief Operating Officer*	$511,290	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements
David Bonomini *Chief Financial Officer*	$414,000	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements

Directors' Report
(continued)

2. NON-EXECUTIVE DIRECTOR REMUNERATION

The structure of the remuneration provided to Non-Executive Directors is distinct from that applicable to executives. Non-Executive Directors receive only fixed remuneration that is not linked to the financial performance of the Company.

Non-Executive Directors' fees are set at a level which enables the attraction and retention of experienced and skilled Board members to ensure an effective oversight role over the Company's operations. Non-Executive Directors' fees and payments are reviewed annually by the Board to ensure fee levels are appropriate and in line with the market.

Following an annual review of Non-Executive Director fees, the Board approved a 3.5% increase to Non-Executive Director fees, including the Board Chair fee and Committee Chair fees, effective 1 July 2025. The increase was intended to maintain market competitiveness and reflects the Board's ongoing review of director remuneration against comparable ASX-listed companies.

The annual fees paid, inclusive of superannuation, to Non-Executive Directors for the financial year ended 30 June 2026 are set out below:

	30 June 2026 $
Board Chair	171,803
Board Members	101,968
Committee Chair	10,482

The maximum aggregate amount that can be paid to Non-Executive Directors is $800,000 per annum, including superannuation (the Fee Pool). This Fee Pool amount was approved by shareholders at the 2024 Annual General Meeting.

3. REMUNERATION GOVERNANCE

The Board oversees the remuneration arrangements of the Company. In performing this function the Board is assisted by input and recommendations from the Nomination and Remuneration Committee ('Committee'), external consultants and internal advice as required. The Committee is responsible for the overview, and recommendation to the Board, of remuneration arrangements for Directors and executive KMP. The Managing Director and Chief Executive Officer, in consultation with the Board, sets remuneration arrangements for other executive KMP. No employee is directly involved in deciding their own remuneration (including the Managing Director and Chief Executive Officer).

Further details of the role and function of the Committee are set out in the Charter for the Nomination and Remuneration Committee on the Company's website at www.austineng.com.

The Committee obtains advice and market remuneration data from external remuneration advisors as required. When advice and market remuneration data is obtained, the Committee follows protocols regarding the engagement and use of external remuneration consultants to ensure ongoing compliance with executive remuneration legislation. These protocols ensure that any remuneration recommendation from an external consultant is free from undue influence by any member of the Company's key management personnel to whom it relates.

The protocols for any external consultant providing remuneration recommendations prohibit them from providing advice or recommendations to employees or Directors before recommendations are given to the Committee. These arrangements were implemented to ensure that any external party will be able to carry out its work, including information capture and formation of its recommendations, free from undue influence by the individuals to whom they relate.

4. VALUE PROVIDED TO KEY MANAGEMENT PERSONNEL

The following tables details of the remuneration provided to KMP for the current and previous financial year.

Amounts paid or payable (in round dollars) or otherwise made available to KMP as at the date of this report were:

		Fixed Remuneration			Variable Remuneration				
Name	Year	Cash Salary & Fees	Super-annuation	Movement In Annual Leave Provision	Long-Term Benefits	Other Benefits	Share Based Payments[3]	Total	Perfor-mance Related %
Non-Executive Directors									
Jim Walker	**2026**	**153,395**	**18,407**	**-**	**-**	**-**	**-**	**171,802**	**-%**
	2025	148,873	17,120	-	-	-	-	165,993	-%
Chris Indermaur	**2026**	**112,450**	**-**	**-**	**-**	**-**	**-**	**112,450**	**-%**
	2025	115,853	2,801	-	-	-	-	118,654	-%
Sybrandt van Dyk[2]	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-%**
	2025	81,202	9,338	-	-	-	-	90,540	-%
Linda O'Farrell	**2026**	**100,402**	**12,048**	**-**	**-**	**-**	**-**	**112,450**	**-%**
	2025	97,442	11,206	-	-	-	-	108,648	-%
Ian Stone	**2026**	**100,402**	**12,048**	**-**	**-**	**-**	**-**	**112,450**	**-%**
	2025	-	-	-	-	-	-	-	-%
David Singleton[1]	**2026**	**91,043**	**10,925**	**-**	**-**	**-**	**-**	**101,968**	**-%**
	2025	-	-	-	-	-	-	-	-%
Total Compensation for Non-Executive Directors	**2026**	**557,692**	**53,428**	**-**	**-**	**-**	**-**	**611,120**	**-%**
	2025	443,370	40,465	-	-	-	-	483,835	-%
Executive Directors and Other Key Management Personnel									
Sybrandt van Dyk[2]	**2026**	**610,462**	**30,000**	**33,699**	**5,045**	**-**	**26,003**	**705,209**	**3.69%**
	2025	108,333	6,549	10,211	342	-	-	125,435	-%
David Singleton[1]	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-%**
	2025	770,068	29,932	-	-	-	-	800,000	-%
Vincent D'Rozario	**2026**	**481,290**	**30,000**	**(20,779)**	**11,721**	**-**	**32,966**	**535,198**	**6.16%**
	2025	464,068	29,932	21,239	6,083	-	112,643	633,965	17.77%
David Bonomini[4]	**2026**	**384,000**	**30,000**	**5,258**	**9,575**	**-**	**(18,787)**	**410,046**	**(4.58) %**
	2025	370,068	29,932	19,859	5,295	-	44,647	469,801	9.50%
Total compensation for Senior Executives	**2026**	**1,475,752**	**90,000**	**18,178**	**26,341**	**-**	**40,182**	**1,650,453**	**2.43%**
	2025	1,712,537	96,345	51,309	11,720	-	157,290	2,029,201	7.75%
Total Key Management Personnel Remuneration	**2026**	**2,033,444**	**143,428**	**18,178**	**26,341**	**-**	**40,182**	**2,261,574**	**1.78%**
	2025	2,155,907	136,810	51,309	11,720	-	157,290	2,513,036	6.26%

1. Mr David Singleton retired as Chief Executive Officer and Managing Director on 30 June 2025.
2. Mr Sybrandt van Dyk was appointed as Chief Executive Officer and Managing Director on 1 July 2025. He ceased to be Non-Executive Director from 1 May 2025 when he began the handover period with Mr David Singleton.
3. Share based payments included in the remuneration above relate to the accounting expense of cash settled share based payments, performance rights and options issued.
4. The Earnings Per Share component of the performance rights issued to David Bonomini on 6 February 2025 was remeasured during the year, resulting in the reversal of expense.

No cash bonus payments were made during the year.

Other Transactions With Related Parties

There were no transactions with related parties during the year (2025: Nil) and no amounts outstanding to related parties at 30 June 2026 (2025: Nil).

Loans To Key Management Personnel

There were no loans made, guaranteed or secured, directly or indirectly, by Austin Engineering Limited and any of its subsidiaries to KMP, including their close family members and entities related to them.

Directors' Report
(continued)

5. EQUITY INSTRUMENTS

Equity Instruments Held by Key Management Personnel

The details of Shares, Options and Performance Rights over ordinary shares granted to and vested by KMP of the Group are set out below:

Key Management Personnel	Balance at 30 June 2025	Granted	Purchased	Shares Issued on Exercise of Options	Disposal/ Expired	Balance at 30 June 2026	Vested and Exercisable	Un-Vested	Granted - Fair Value	% Vested During the Year	Maximum Value to Vest
David Singleton - Non-Executive Director (effective 1 July 2025)											
Shares[1]	32,827,908	-	-	-	-	32,827,908	-	-	-	-	-
Options	-	-	-	-	-	-	-	-	-	-	-
Total	**32,827,908**	**-**	**-**	**-**	**-**	**32,827,908**	**-**	**-**	**-**	**-**	**-**
Jim Walker - Non-Executive Director											
Shares[1]	166,000	-	225,000	-	-	391,000	-	-	-	-	-
Total	**166,000**	**-**	**225,000**	**-**	**-**	**391,000**	**-**	**-**	**-**	**-**	**-**
Chris Indermaur - Non-Executive Director											
Shares[1]	200,000	-	-	-	-	200,000	-	-	-	-	-
Total	**200,000**	**-**	**-**	**-**	**-**	**200,000**	**-**	**-**	**-**	**-**	**-**
Ian Stone - Non-Executive Director											
Shares[1]	-	-	73,170	-	-	73,170	-	-	-	-	-
Total	**-**	**-**	**73,170**	**-**	**-**	**73,170**	**-**	**-**	**-**	**-**	**-**
Sybrandt van Dyk - Managing Director and Chief Executive Officer (effective 1 July 2025)											
Shares[1]	213,500	-	520,000	-	-	733,500	-	-	-	-	-
Options	-	-	-	-	-	-	-	-	-	-	-
Total	**213,500**	**-**	**520,000**	**-**	**-**	**733,500**	**-**	**-**	**-**	**-**	**-**
Vincent D'Rozario – Chief Operating Officer											
Shares[1]	11,534	-	-	-	-	11,534	-	-	-	-	-
Options	3,950,000	-	-	-	(3,950,000)	-	-	-	-	-	-
Total	**3,961,534**	**-**	**-**	**-**	**(3,950,000)**	**11,534**	**-**	**-**	**-**	**-**	**-**
David Bonomini – Chief Financial Officer											
Performance Rights[4]	433,300	-	-	-	-	433,300	-	433,300	-	-	-
Total	**433,300**	**-**	**-**	**-**	**-**	**433,300**	**-**	**433,300**	**-**		
Total	**37,802,242**	**-**	**818,170**	**-**	**(3,950,000)**	**34,670,412**	**-**	**433,300**	**-**	**-**	**-**

No other key management personnel held shares, options or rights at 30 June 2026 and 30 June 2025.

1. Ordinary shares in the Company held directly, indirectly or beneficially by Non-Executive Directors and executive KMP, including related parties, are outlined above and were acquired in accordance with the Company's Share Trading Policy.
2. 3,673,581 Options to Managing Director approved by shareholders on 6 November 2025. However, these are not yet issued as at the date of this report.
3. Options granted on 12 January 2023 to the Chief Operating Officer. Of these 5,000,000 options, 1,050,000 exercised using the cashless exercise facility, resulting in the issue of 321,534 shares.
4. Performance Rights granted on 6 February 2025 to the Chief Financial Officer.

Shares Under Performance Rights

The number of performance rights held by KMP at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number of Shares Under Option
6 February 2025	6 February 2030	Nil	433,300

No performance rights were granted to KMP since the end of the financial year.

This concludes the audited remuneration report.

Insurance of Officers and Indemnities

(a) Insurance of officers

During the financial year, Austin Engineering Limited paid a premium in respect of a contract insuring the directors and officers of Austin Engineering Limited against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

(b) Indemnity of auditors

Austin Engineering Limited has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-Audit Services

The Directors have considered the position and, in accordance with advice received from the Audit and Risk Committee, are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Services provided related to taxation compliance and advisory services. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in note 31 to the financial statements, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants *(including Independence Standards)* for APES 110 issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 47.

Rounding of Amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2026/183, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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

J. A. Walker

Jim Walker
Non-Executive Chair

24 August 2026
Perth

Auditor's Independence Declaration

BDO

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF AUSTIN ENGINEERING LIMITED

As lead auditor of Austin Engineering Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Austin Engineering Limited and the entities it controlled during the year.

Phillip Murdoch

Director

BDO Audit Pty Ltd

Perth

24 August 2026

Financial Report

For the year ended 30 June 2026

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Revenue from continuing operations	2	328,959	376,729
Other income	3	1,936	4,033
Expenses			
Raw materials and consumables used		(110,387)	(116,421)
Employee benefit expenses		(95,881)	(85,385)
Subcontractor expenses		(51,569)	(73,391)
Depreciation expense	17,19	(8,311)	(8,617)
Amortisation expense	18	(1,344)	(1,248)
Operational expenses	4b	(32,271)	(36,890)
Gain from disposal of property, plant and equipment		396	147
Other expenses	4c	(19,964)	(23,843)
Finance costs		(1,537)	(2,239)
Inventory obsolescence		(1,903)	(3,315)
Profit before income tax		**8,124**	**29,560**
Income tax expense	5	(1,670)	(3,233)
Profit for the year from continuing operations		**6,454**	**26,327**
Loss from discontinued operations		(364)	(340)
Profit for the year		**6,090**	**25,987**
Other comprehensive income			
Item that may not be reclassified to profit or loss			
Defined benefits obligations actuarial gain / (losses)		98	(182)
Item that may be reclassified to profit or (loss)			
Foreign currency translation differences, net of tax	22	(10,035)	2,679
Other comprehensive income/(loss) for the year		**(9,937)**	**2,497**
Total comprehensive income/(loss) for the year		**(3,847)**	**28,484**

	Notes	Cents	Cents
Earnings per share from continuing operations attributable to the owners of Austin Engineering Limited:			
Basic earnings per share (cents per share)	6	1.04	4.29
Diluted earnings per share (cents per share)	6	1.02	4.20
Earnings per share from continuing and discontinued operations attributable to owners of Austin Engineering Limited:			
Basic earnings per share (cents per share)	6	0.98	4.23
Diluted earnings per share (cents per share)	6	0.96	4.15

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

Consolidated statement of financial position
As at 30 June 2026

	Notes	2026 $'000	2025 $'000
Current assets			
Cash and cash equivalents	8	17,073	20,060
Trade receivables	9	54,843	62,361
Contract assets	10	1,901	2,874
Inventories	11	55,686	87,919
Current tax assets	5	2,300	2,526
Finance lease receivable	12	9,127	8,948
Other assets	13	4,863	6,749
		145,793	**191,437**
Assets classified as held for sale		905	913
Total current assets		**146,698**	**192,350**
Non-current assets			
Property, plant and equipment	17	47,029	48,436
Intangible assets	18	24,749	25,667
Deferred tax assets	5	11,676	11,778
Right-of-use assets	19	8,386	16,336
Finance lease receivable	12	12,631	8,562
Other assets	13	173	200
Total non-current assets		**104,644**	**110,979**
Total assets		**251,342**	**303,329**
Current liabilities			
Trade and other payables	14	48,450	69,601
Contract liabilities	15	20,570	23,582
Financial liabilities	20	22,858	16,563
Current tax liabilities	5	196	813
Provisions	16	8,170	8,852
Lease liabilities	19	4,720	4,434
Total current liabilities		**104,964**	**123,845**
Non-current liabilities			
Contract liabilities	15	647	1,928
Financial liabilities	20	-	16,333
Provisions	16	1,660	2,271
Lease liabilities	19	10,427	14,933
Total non-current liabilities		**12,734**	**35,465**
Total liabilities		**117,698**	**159,310**
Net assets		**133,644**	**144,019**
Equity			
Share capital	21	161,311	160,171
Retained earnings		21,689	22,502
Reserves	22	(49,356)	(38,654)
Total equity		**133,644**	**144,019**

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

Consolidated statement of changes in equity
For the year ended 30 June 2026

	Notes	Contributed equity $'000	Share based payment reserve $'000	Foreign currency translation reserve $'000	Retained earnings/ (Accumulated losses) $'000	Total $'000
Opening balance at 1 July 2024		**155,952**	**4,028**	**(20,268)**	**(16,801)**	**122,911**
Total comprehensive income for the year:						
Profit for the year		-	-	-	25,987	25,987
Other comprehensive income, net of tax:						
Defined benefits obligations actuarial losses		-	-	-	(182)	(182)
Reclassification of FCTR on change in functional currency of subsidiaries		-	-	(22,175)	22,175	-
Currency translation differences			-	2,679	-	2,679
Total comprehensive income for the year		**-**	**-**	**(19,496)**	**47,980**	**28,484**
Transactions with owners in their capacity as owners:						
Shares issued under dividend reinvestment plan (net of share issue costs)	21	495	-	-	(495)	-
Share-based payments		-	806	-	-	806
Conversion of performance rights/options	21	3,724	(3,724)	-	-	-
Dividends provided for or paid	7	-	-	-	(8,182)	(8,182)
		4,219	**(2,918)**	**-**	**(8,677)**	**(7,376)**
Balance at 30 June 2025		**160,171**	**1,110**	**(39,764)**	**22,502**	**144,019**
Opening balance at 1 July 2025		160,171	1,110	**(39,764)**	**22,502**	**144,019**
Total comprehensive income for the year:						
Profit for the year		-	-	-	6,090	6,090
Other comprehensive income, net of tax:		-	-	-	98	98
Defined benefits obligations actuarial gain		-	-	-	-	-
Currency translation differences		-	-	(10,035)	-	(10,035)
Total comprehensive income for the year		**-**	**-**	**(10,035)**	**6,188**	**(3,847)**
Transactions with owners in their capacity as owners:						
Shares issued under dividend reinvestment plan (net of share issue costs)	21	393	-	-	(393)	-
Share-based payments		-	(215)	-	-	(215)
Buy back of shares (net of share buy back costs)	21	(1,239)	-	-	-	(1,239)
Issue of shares as non cash consideration	21	1,986	-	-	-	1,986
Expiry of share options	21	-	(452)	-	452	-
Dividends provided for or paid	7	-	-	-	(7,060)	(7,060)
		1,140	**(667)**	**-**	**(7,001)**	**(6,528)**
Balance at 30 June 2026		**161,311**	**443**	**(49,799)**	**21,689**	**133,644**

The above Consolidated 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

	Notes	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers		332,265	367,499
Payments to suppliers and employees		(300,065)	(352,875)
Interest received		1,494	1,488
Finance costs paid		(3,154)	(4,180)
Income tax paid		(4,417)	(9,659)
Income tax refund		557	314
Net cash provided by operating activities	30	**26,680**	**2,587**
Cash flows from investing activities			
Payments for property, plant and equipment		(6,767)	(8,685)
Payments for intangibles		(302)	(845)
Proceeds from sale of property, plant and equipment		300	415
Proceeds from the principal portion of the sublease		370	-
Net payment for acquisition of subsidiary		-	(3,500)
Net cash used in investing activities		**(6,399)**	**(12,615)**
Cash flows from financing activities			
Proceeds from borrowings		22,000	6,000
Repayment of borrowings		(32,098)	(3,771)
Proceeds from issue of shares	21	(1,239)	-
Dividends paid to company's shareholders	7	(7,060)	(8,182)
Repayment of lease liabilities		(4,215)	(5,010)
Net cash used in financing activities		**(22,612)**	**(10,963)**
Net (decrease) in cash and cash equivalents		**(2,331)**	**(20,991)**
Cash and cash equivalents at the beginning of the financial year		20,060	40,193
Effects of exchange rate changes on cash and cash equivalents		(656)	858
Cash and cash equivalents at end of the year	8	**17,073**	**20,060**

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

1. Segment information

Management has determined that the strategic operating segments comprise of Asia-Pacific (for mining equipment, other products and repair and maintenance services located in Australia and Indonesia), North America (for mining equipment and other products located in the USA) and South America (currently Chile for mining equipment, other products and repair and maintenance services located in South America).

Executive management monitors segment performance based on EBITDA. Segment information for the years ended 30 June 2026 and 30 June 2025 is as follows:

	Asia-Pacific		North America		South America		Unallocated		Total	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Continuing operations										
Total segment revenue from continuing operations - from external customers	147,051	173,301	126,959	146,782	54,949	56,647	-	-	328,959	376,730
Cost of sales	(110,028)	(120,830)	(96,534)	(104,244)	(55,015)	(49,042)	17,540	11,682	(244,037)	(262,434)
EBITDA from continuing operations	24,587	32,682	8,612	20,206	(9,952)	(2,621)	(3,931)	(8,603)	19,316	41,664
Profit/(loss) before tax	18,346	25,279	6,361	17,437	(9,548)	(2,060)	(7,035)	(11,096)	8,124	29,560
Other segment information										
Depreciation and amortisation	6,025	6,153	2,213	2,583	834	716	583	413	9,655	9,865
Impairment	404	1,848	259	1,154	1,241	313	-	-	1,904	3,315
Continuing and discontinued operations										
Total segment assets	97,630	92,254	66,467	76,678	62,819	82,193	24,425	52,204	251,342	303,329
Total assets include: Additions to non-current assets (other than financial assets and deferred tax)	951	14,524	2,424	14,012	1,263	633	80	2,336	4,718	31,505
Total segment liabilities	52,117	58,531	29,447	45,387	12,696	15,881	23,437	39,511	117,697	159,310

The unallocated amounts include Head office balances and discontinued operations including assets and liabilities held for sale that have not been allocated to the operating segments.

Group's borrowings are not considered to be segment liabilities but are managed by the treasury function.

1. Segment information (continued)

Segment revenue and non-current assets

Continuing operations	**2026 $'000**	**2025 $'000**
Total revenues from customers based on geographical regions:		
- Australia	125,624	140,329
- Chile	53,125	51,412
- USA	31,344	61,982
- Canada	95,595	84,611
- Indonesia	18,981	24,315
- all other foreign countries	4,288	14,080
Revenues derived from a single external customer were attributable to Asia-Pacific and North America segments	88,224	105,888
Non-current assets, excluding financial instruments and deferred tax assets, located:		
- in Australia	32,959	36,158
- in Chile	12,481	12,236
- in USA	23,328	27,615
- in Indonesia	11,568	14,630

Corporate expenses

Corporate expenses are incurred in Australia and the majority of these costs are recharged across the group in accordance with group transfer pricing arrangements in place.

Segment assets and liabilities

Segment asset and liability amounts are measured in the same way that they are measured in the financial statements. Segment assets and liabilities are allocated based on the operations of the segment and the physical location of the assets and liabilities.

The reconciliation of EBITDA to profit before income tax is as follows:

	Continuing and discontinued operations		**Continuing operations**	
	2026 $'000	**2025 $'000**	**2026 $'000**	**2025 $'000**
EBITDA	18,999	41,351	19,315	41,664
Depreciation expense	(8,359)	(8,644)	(8,311)	(8,617)
Amortisation expense	(1,344)	(1,248)	(1,344)	(1,248)
Interest revenue	1,712	1,495	1,712	1,495
Interest expense	(3,248)	(3,734)	(3,248)	(3,734)
Profit before income tax	**7,760**	**29,220**	**8,124**	**29,560**

2 Revenue

The Group derives the following types of revenue from continuing operations:

	2026 $'000	2025 $'000
Revenue from contracts with customers	328,959	376,729
Total revenue from continuing operations	**328,959**	**376,729**

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following types and geographical regions:

Revenue from contracts with customers	Asia Pacific 2026 $'000	Asia Pacific 2025 $'000	North America 2026 $'000	North America 2025 $'000	South America 2026 $'000	South America 2025 $'000	Total 2026 $'000	Total 2025 $'000
Sale of Goods								
Truck Bodies	51,163	94,210	120,233	137,071	33,851	37,645	205,247	268,926
Buckets	32,246	14,826	1,329	6,206	618	2,852	34,193	23,884
Other Goods	40,296	37,050	4,736	3,474	4,814	2,097	49,846	42,621
Total Sale of Goods	**123,705**	**146,086**	**126,298**	**146,751**	**39,283**	**42,594**	**289,286**	**335,431**
Total Services	**23,346**	**27,215**	**661**	**31**	**15,666**	**14,052**	**39,673**	**41,298**
Revenue from contracts with customers	**147,051**	**173,301**	**126,959**	**146,782**	**54,949**	**56,646**	**328,959**	**376,729**
Timing of Revenue Recognition								
At a point in time – sale of goods	123,705	146,086	126,298	146,751	39,283	42,594	289,286	335,431
Over time - services	23,346	27,215	661	31	15,666	14,052	39,673	41,298
Revenue from contracts with customers	**147,051**	**173,301**	**126,959**	**146,782**	**54,949**	**56,646**	**328,959**	**376,729**

(b) Accounting policies

(i) Sale of goods

The Group derives revenue from the manufacture and sale of truck bodies, excavator buckets and other ancillary products. Contracts entered into may be for the manufacture and sale of one or several products. The manufacture of each individual body, bucket or other product is generally taken to be one performance obligation. Where contracts are entered into for the manufacture of several products the total transaction price is allocated across each product based on stand-alone selling prices net of any discounts provided.

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the Group determines whether it is satisfied over time or at a point in time.

Performance obligations are satisfied at point in time as the entity transfers control of the product only after the completion of the product and when it is delivered to the customer. Control over the product remains with Austin throughout the manufacturing process and the customer will only consume the benefits after delivery of the product.

2. Revenue (continued)

(b) Accounting policies (continued)

(i) Sale of goods (continued)

Revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example, on delivery. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

All goods sold include defect and warranty periods following transfer of control to the customer. These obligations are not deemed separate performance obligations and therefore recognised in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

The Group derives a portion of sale of goods revenue from the sale of truck bodies under finance lease arrangements in the capacity as lessor. The Group is considered to be a manufacturer lessor under *AASB 16 Leases* and therefore recognises selling profit or loss in the period in accordance with the policy when the product is available for use by the customer. Revenue from these sales is recognised at the fair value of the asset disposed or, if lower, the present value of the minimum lease payments accruing to the Group, computed at a market rate of interest. During the financial year $8.104 million (2025: $9.313 million) of revenue was recognised from truck bodies sold on finance lease arrangements in South America.

(ii) Services

The Group derives revenue from on and off-site repair and maintenance services. Repair and maintenance performance obligations are fulfilled over time as the group enhances assets which the customer controls, for which the Group does not have an alternative use and for which the Group has right to payment for performance to date. Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or a variable price depending on the nature of repair and is recognised in the accounting period in which the services are rendered.

(c) Contract assets and liabilities

The Group has recognised the following assets and liabilities related to contracts with customers:

	Notes	2026 $'000	2025 $'000
Contract assets	10	1,901	2,874
Contract liabilities – current	15	(20,570)	(23,582)
Contract liabilities – non-current	15	(647)	(1,928)

The movement in the Group's Contract assets and liabilities during the financial year is disclosed below:

	Contract Assets 2026 $'000	Contract Assets 2025 $'000	Contract Liabilities 2026 $'000	Contract Liabilities 2025 $'000
At 1 July	**2,874**	**8,547**	**(25,510)**	**(24,524)**
Invoices issued in advance of performance	-	-	(62,398)	(52,380)
Transfers to trade receivables	-	(8,683)	-	-
Amounts recognised in relation to obligations to fulfil customer contracts	-	-	-	(1,125)
Amounts recognised in revenue during the year	(937)	2,863	65,540	51,597
Grant amount recognised as income during the year	-	-	281	235
Effect of foreign exchange	(36)	147	870	687
At 30 June	**1,901**	**2,874**	**(21,217)**	**(25,510)**

Contract assets and liabilities

Contract assets are recognised when the Group has transferred goods or services to the customer and met the performance obligation but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes. Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

3 Other income

	2026 $'000	2025 $'000
Other income	895	758
Write back of impairment on asset previously accounted for as held for sale (i)	72	2,307
Income from Scrap Sales	1,823	2,212
Grant income (ii)	251	235
Net foreign currency exchange losses	(1,105)	(1,478)
Total other income	**1,936**	**4,033**

(i) 2025 amount relates to reversal of impairment recorded on the right of use asset held in Canada.

(ii) During 2024, the group received grant from the WA Government for investment in advanced manufacturing equipment. The grant received is capitalised and amortised over the useful life of the assets purchased through utilisation of the grant funds. During the current period $0.281 million (2025: $0.235 million) has been recognised as grant income.

4 Expenses

(a) Profit for the year from continuing operations includes the following expenses:

	2026 $'000	2025 $'000
Cost of goods sold	244,038	262,436
Defined contribution superannuation costs	4,271	3,641
Share based payment expense*	(228)	2,959

*During the current year, the Group reversed the earnings per share component of performance rights issued in FY24 and FY25, as the applicable non-market vesting conditions were not satisfied. As a result, the reversal exceeded the current year share-based payment expense recognised in profit or loss, Refer Note 34 Share-based payments.

(b) Operational expenses:

	2026 $'000	2025 $'000
Transport	10,078	16,217
Electricity	2,331	2,494
Consumables	11,451	8,293
Occupancy and utility expenses	2,908	2,774
Other operational expenses	5,503	7,112
Total other expenses	**32,271**	**36,890**

(c) Other expenses:

	2026 $'000	2025 $'000
Consultancy	5,645	6,591
Insurance costs	3,185	3,260
Administration costs	3,299	3,285
Information technology costs	2,698	2,111
Travel expenses	1,625	2,196
Other expenses	3,512	6,400
Total other expenses	**19,964**	**23,843**

5 Tax

(a) Income tax expense

	2026 $'000	2025 $'000
Components of income tax expense:		
Current tax - current period	2,230	6,048
Over provision in respect of prior years	(454)	(1,238)
Deferred tax - origination and reversal of temporary differences	(106)	(1,577)
	1,670	**3,233**
Income tax expense is attributable to:		
Profit from continuing operations	1,670	3,233
	1,670	**3,233**

Numerical reconciliation of income tax expense to prima facie tax payable

	2026 $'000	2025 $'000
Profit from continuing operations before income tax expense	8,124	29,560
Loss from discontinuing operation before income tax expense	(364)	(340)
	7,760	29,220
Tax at the Australian tax rate of 30.0% (2025 - 30.0%)	2,328	8,766
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
(Non-allowable) / non-assessable items	(80)	(204)
Entertainment / donations	42	22
Share option expense deduction for payment through the Employee Share Trust(i)	-	(5,233)
Over-provision for tax in prior years	63	(1,597)
Withholding Tax Expense in relation to distributions from foreign subsidiaries	-	-
Differences in overseas tax rates	(744)	(2,117)
Non-assessable items and other allowances:		
Deferred tax assets not recognised on tax losses	1,952	4,498
Foreign sourced income from subsidiaries	233	(902)
Recognition of carried forward tax losses	(2,124)	-
Income tax expense	**1,670**	**3,233**

(i) An immediate deduction has been claimed for payments made to the Austin employee share trust as a timing difference was not recognised in prior periods when it was unclear whether the trust would be utilised for this payment. A permanent adjustment has been recognised for the cash payment to the trust in the current year.

(b) Current tax asset and liability

	2026 $'000	2025 $'000
Current tax assets	2,300	2,526
Current tax liabilities	(196)	(813)
	2,104	**1,713**

5 Tax (continued)

(c) Deferred Tax

Deferred tax asset comprises temporary differences attributable to:

	2026 $'000	2025 $'000
Deferred tax assets / (Deferred tax liabilities)		
Trade and other payables	4,186	2,380
Employee leave entitlements	1,155	997
Warranty and other provisions	1,882	1,800
Property, plant and equipment and intangible assets	(1,392)	957
Foreign exchange	(991)	(829)
Retirement benefit remeasurements (OCI)	(46)	-
Leases	583	676
Tax losses	4,069	3,824
Other	2,230	1,973
Total deferred tax assets	**11,676**	**11,778**

	Opening balance $'000	Recognised in goodwill $	Recognised in profit or loss $'000	Recognised in equity $'000	Closing balance $'000
Movements:					
2026					
Deferred tax assets / (Deferred tax liabilities)					
Trade and other payables	2,380	-	1,806	-	4,186
Employee leave entitlements	997	-	158	-	1,155
Warranty and other provisions	1,800	-	82	-	1,882
Property, plant and equipment and intangible assets	957	-	(2,349)	-	(1,392)
Foreign exchange	(829)	-	-	(162)	(991)
Retirement benefit remeasurements (OCI)	-	-	-	(46)	(46)
Leases	676	-	(93)	-	583
Tax losses	3,824	-	245	-	4,069
Other	1,973	-	257	-	2,230
Total deferred tax assets	**11,778**	**-**	**106**	**(208)**	**11,676**

	Opening balance $'000	Recognised in goodwill $	Recognised in profit or loss $'000	Recognised in equity $'000	Closing balance $'000
Movements:					
2025					
Deferred tax assets		-			
Trade and other payables	1,651		729	-	2,380
Employee leave entitlements	1,030	-	(33)	-	997
Warranty and other provisions	1,986	-	(186)	-	1,800
Property, plant and equipment and intangible assets	202	-	755	-	957
Foreign exchange	73	-	-	(902)	(829)
Leases	596	-	80	-	676
Tax losses	4,749	-	(925)	-	3,824
Other	816	-	1,157	-	1,973
Total deferred tax assets	**11,103**	**-**	**1,577**	**(902)**	**11,778**

Unused Australian tax losses / attributes for which no deferred tax asset has been recognised amount to $11.257 million of capital losses (2025: $11.257 million), $4.097 million of revenue losses (2025: $11.774 million), and $1.003 million of research and development tax offsets (2025: $1.003 million) and fixed ratio test attributes $4.630 million at reporting date (2025: $3.792).

Unused foreign tax losses for which no deferred tax asset has been recognised amount to $66,130 million of revenue losses (2025: $60.903 million) at reporting date.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Report. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

5 Tax (continued)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group's Australian subsidiaries, together with the Company, form a tax consolidated group for income tax purposes with Austin Engineering Limited as the Head Company. These entities form part of the tax funding and sharing agreement. In accordance with the tax funding agreement, the current and deferred tax balances are recognised by each party using a modified standalone payer allocation approach. The Head Company recognises current tax liabilities or assets, and deferred tax arising from unused tax losses and unused relevant tax credits, assumed from the tax funding contributing members. The contributing members recognise deferred taxes relating to temporary differences. The assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

6 Earnings per share

Basic earnings per share

	2026 Cents	2025 Cents
From continuing operations	1.04	4.29
From discontinued operations	(0.06)	(0.06)
Total basic earnings per share	0.98	4.23
Diluted earnings per share	-	
From continuing operations	1.02	4.20
From discontinued operations	(0.06)	(0.05)
Total diluted earnings per share	0.96	4.15

Reconciliation of earnings to loss

	2026 $'000	2025* $'000
Profit/(Loss) after tax:		
From continuing operations	6,454	26,327
From discontinued operation	(364)	(340)
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	6,090	25,987

Weighted average number of shares used as the denominator

	2026 Number	2025 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	622,701,731	613,544,097
Effect of dilutive securities - share based performance rights and options	7,212,272	12,608,668
Used to calculate diluted earnings per share	**629,914,003**	**626,152,765**

6 Earnings per share (continued)

Weighted average number of shares used as the denominator (continued)

(a) Performance Rights

Performance rights granted to employees under the performance rights plan whose conditions have been met at year end, excluding conditions only relating to time, are included in the calculation of diluted earnings per share assuming all outstanding rights will vest. The rights are not included in the determination of basic earnings per share. Further information about the performance rights is provided in Note 34.

(b) Options

Of the total 5,000,000 options issued to the COO in the prior year, remaining 3,950,000 options expired during the current year. In addition, during the year, 3,673,581 options to be issued to the Managing Director were approved by shareholders on 6 November 2025. However, these options had not been issued as at the date of this report. Accordingly, these options are considered anti-dilutive, as the average share price of the Company was below the vesting share price hurdle as at 30 June 2026.

Further information about the Options is provided in Note 34.

7 Dividends

Recognised amounts

	30 June 2026 $'000	30 June 2025 $'000
Fully franked dividend for the year ended 30 June 2025 of 0.9 cents per share, paid on 7 October 2025	5,585	-
Fully franked dividend for the year ended 30 June 2024 of 0.8 cents per share, paid on 2 October 2024	-	4,955
Interim fully franked dividend for the half-year ended 31 Dec 2025 of 0.3 cents per share, paid on 10 April 2026	1,867	-
Interim fully franked dividend for the half-year ended 31 Dec 2024 of 0.6 cents per share, paid on 9 April 2025	-	3,721
Total Recognised amounts	**7,452**	**8,676**

A portion of shareholders participated in the Dividend Reinvestment Plan and reinvested $0.392 million of the amount declared (2025: $0.494 million). The cash outflow of the above dividends for the year was $7.060 million (2025: $8.182 million).

Dividends not recognised at the end of the reporting period

No Final Dividend declared for FY26.

Franking credits

	2026 $'000	2025 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2025 - 30.0%)	14,979	18,173

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

8 Cash and cash equivalents

	2026 $'000	2025 $'000
Cash and cash equivalents	17,073	20,060
	17,073	**20,060**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position. Refer to note 24 for foreign exchange risk.

The cash and cash equivalents disclosed above and in the statement of cash flows include Australian dollar equivalent of $3.748 million (2025: $2.061 million) which are held by PT Austin Engineering Indonesia. These deposits are subject to regulatory local exchange control regulations. These regulations provide for restrictions on exporting capital, other than normal dividends. No other restriction on cash and cash equivalents held by the Group.

9 Trade and other receivables

	2026 $'000	2025 $'000
Trade receivables	54,955	63,105
Allowance for expected credit losses	(112)	(744)
Trade receivables net of expected credit losses	**54,843**	**62,361**

The carrying amounts of the consolidated entity's trade receivables are denominated in the following currencies:

	2026 $'000	2025 $'000
Australian dollars	21,802	34,416
US dollars (Australian dollar equivalent)	21,635	20,560
Chilean pesos (Australian dollar equivalent)	8,251	5,623
Indonesian rupiah (Australian dollar equivalent)	3,155	1,762
	54,843	**62,361**

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. During the reporting period, the Group reassessed the recoverability of its receivables in light of updated credit risk assessments and prevailing economic conditions. As a result, the allowance for expected credit loss decreased by $0.632 million (2025: $0.744 million). The decrease primarily relates to specific customer accounts identified as higher risk. The movement in the provision is recognised in the statement of profit or loss under Other expenses.

Refer to note 23 for more information on the consolidated entity's risk management policy, the credit quality and risk of trade receivables.

10 Contract assets

Contract assets relate to transferred goods or services where the Group is yet to establish an unconditional right to consideration. Refer to note 2 for further details.

	2026 $'000	2025 $'000
Contract assets	1,901	2,874
	1,901	**2,874**

The carrying amounts of the consolidated entity's contract assets are denominated in the following currencies:

	2026 $'000	2025 $'000
Australian dollars	1,260	1,591
Chilean pesos (Australian dollar equivalent)	641	1,283
	1,901	**2,874**

11 Inventories

	2026 $'000	2025 $'000
At cost:		
Raw materials and consumables	27,898	41,104
Work in progress	24,683	40,385
Finished goods	3,105	6,430
	55,686	**87,919**

Raw materials, consumables and work in progress
Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

An allowance for inventory obsolescence is recognised when there is objective evidence that items are no longer saleable or usable in the ordinary course of business. The allowance is based on an assessment of inventory ageing, usage patterns, and expected future recoverability. During the year, the Group reviewed its inventory holdings and recorded and allowance for inventory obsolescence of $1.9 million (2025: $3.3 million).

12 Finance lease receivable

The Group entered into lessor finance lease arrangements with certain customers for the sale of truck bodies manufactured by the Group. The average term of finance leases entered into is 5 years. There are no unguaranteed residual values of assets under finance lease at the end of the reporting period. The average effective interest rate contracted is approximately 8% per annum.

During the year, the Group entered into two sublease arrangements. These subleases are classified as finance lease since:

- The sublease transfers substantially all the risks and rewards associated with the initial ROU asset.
- The lease term covers the remaining economic life of the initial ROU asset.
- The present value of sublease payments amount to substantially all of the fair value of the ROU asset.

The right of use asset associated with the head lease agreement has been derecognised during the year and a lease receivable is recognised, measured at the net investment in the sublease. Interest income on the sublease is recognised over the sublease term using the effective interest method.

The finance lease balance below includes sublease finance receivables of $4.724 million, comprising a current portion of $1.666 million and a non-current portion of $3.058 million.

Please refer to note 24 for details on the Group's policy for impairment of financial assets, finance lease receivables including sub lease arrangements.

	Current 2026 $'000	Non-current 2026 $'000	Current 2025 $'000	Non-current 2025 $'000
Finance lease receivable				
Not later than one year	9,451	-	9,380	-
Later than one year and not later than five years	-	14,522	-	10,123
	9,451	14,522	9,380	10,123
Less: unearned finance income	(324)	(1,891)	(432)	(1,561)
Present value of minimum lease payments receivable	9,127	12,631	8,948	8,562
Allowance for uncollectible lease payments	-	-	-	-
	9,127	**12,631**	**8,948**	**8,562**

13 Other assets

	2026 $'000	2025 $'000
Current		
Prepayments	2,317	3,960
Other receivables (i)	2,546	2,789
	4,863	**6,749**
Non-current		
Other receivables (ii)	173	200
	173	**200**

(i) Current other receivables predominantly consist of amounts relating to value added tax balances.
(ii) Non-current other receivables predominantly relate to lease deposits.

14 Trade and other payables

	2026 $'000	2025 $'000
Current unsecured liabilities:		
Trade payables	31,252	46,343
Accrued expenses and other payables	15,868	20,658
GST payable	1,330	2,600
	48,450	**69,601**

For information about the consolidated entity's exposure to foreign exchange risk refer to note 23.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

All current trade and other payables are measured at nominal value.

The carrying amounts of the consolidated entity's trade and other payables are denominated in the following currencies.

	2026 $'000	2025 $'000
Australian dollars	5,405	10,962
US dollars (Australian dollar equivalent)	26,989	38,046
Chilean pesos (Australian dollar equivalent)	9,846	11,725
Colombian pesos (Australian dollar equivalent)	1,828	1,661
Peruvian nuevo soles (Australian dollar equivalent)	232	142
Indonesian rupiah (Australian dollar equivalent)	3,404	4,193
Singaporean dollars (Australian dollar equivalent)	489	155
Canadian dollars (Australia dollar equivalent)	257	69
Euro (Australian dollar equivalent)	-	2,530
Swedish Krona (Australian dollar equivalent)	-	21
South African Rand (Australian dollar equivalent)	-	97
	48,450	**69,601**

15 Contract liabilities

	2026 $'000	2025 $'000
Current		
Contract liabilities – Customers	19,570	23,582
Contract liabilities - Government grant (reclassified from non-current)	1,000	-
	20,570	**23,582**

Refer note 2 in relation to accounting policy on Contract liabilities. Current contract liabilities relate to performance obligations to be satisfied within the next 12 months from reporting date.

Non-current		
Opening balance	1,928	2,163
Government Grant classified to current	(1,000)	-
Government grant received	-	-
Less: recognised as income during the year	(281)	(235)
	647	**1,928**

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight- line basis over the expected lives of the related assets.

For information about the consolidated entity's exposure to foreign exchange risk refer to note 23.

Invoicing in advance of revenue recognition is treated as contract liabilities and presented as liabilities until revenue recognition criteria is met. All current trade and other payables are measured at nominal value. Refer to note 2 (c) for further details.

The carrying amounts of the consolidated entity's contract liabilities are denominated in the following currencies.

	2026 $'000	2025 $'000
Australian dollars	7,403	9,253
US dollars (Australian dollar equivalent)	10,397	14,870
Chilean pesos (Australian dollar equivalent)	-	1,125
Indonesian rupiah (Australian dollar equivalent)	3,417	262
	21,217	**25,510**

16 Provisions

Current	2026 $'000	2025 $'000
Employee leave entitlements and benefits	4,900	5,564
Warranty provisions	2,184	2,288
Other	1,086	1,000
	8,170	**8,852**
Non-current		
Employee leave entitlements and benefits	1,660	2,271
	1,660	**2,271**

A provision is recognised in the consolidated statement of financial position when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Employee benefits - short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

Liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recorded as non-current. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of Australian Corporate Bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The Group provides post-employment benefits to certain employees through defined benefit plans. These plans define the amount of benefit an employee will receive on retirement, usually dependent on factors such as age, years of service, and final salary. Defined benefit obligations are measured using the projected unit credit method, with actuarial valuations performed annually by independent actuaries. The present value of the obligation is determined by discounting estimated future cash outflows using market yields on high-quality corporate bonds with durations matching the obligations. Service cost and net interest are recognised in profit or loss. Remeasurements, including actuarial gains and losses and return on plan assets (excluding interest income), are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. Liabilities associated with the long-term incentive scheme are included within the employee benefits obligations based on the fair value of these incentives at reporting date. Refer note 34 for further information.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Warranties

Provision is made for potential warranty claims at the reporting date and is based on management assessments of the likelihood of claims arising from products delivered during the year as well as historical costs incurred on meeting warranty claims in prior years.

17 Property, plant and equipment

	2026 $'000	2025 $'000
Freehold land		
Cost	16,708	17,581
	16,708	**17,581**
Freehold buildings		
Cost	23,401	25,190
Accumulated depreciation	(8,937)	(9,243)
	14,464	**15,947**
Plant and equipment		
Cost	56,003	54,692
Accumulated depreciation	(41,088)	(40,448)
	14,915	**14,243**
Capital work in progress		
Cost	942	665
	942	**665**
Closing net book amount	**47,029**	**48,436**

	Freehold land $'000	Freehold buildings $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
Year ended 30 June 2026					
Opening net book amount	17,581	15,947	14,243	665	48,436
Additions	-	142	3,370	3,275	6,787
Reallocation of capital work in progress	-	554	2,409	(2,963)	-
Disposals	-	-	(62)	-	(62)
Exchange differences	(873)	(1,067)	(1,136)	(35)	(3,111)
Depreciation charge	-	(1,112)	(3,909)	-	(5,021)
Closing net book amount	**16,708**	**14,464**	**14,915**	**942**	**47,029**

	Freehold land $'000	Freehold buildings $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
Year ended 30 June 2025					
Opening net book amount	**17,212**	**14,001**	**11,500**	**210**	**42,923**
Reallocation of capital work in progress	-	3,594	5,704	526	9,824
Expensed to profit or loss	-	-	50	(50)	-
Disposals	-	-	(600)	-	(600)
Exchange differences	369	(997)	1,311	(21)	662
Depreciation charge	-	(651)	(3,722)	-	(4,373)
Closing net book amount	**17,581**	**15,947**	**14,243**	**665**	**48,436**

(i) ***Non-current assets pledged as security***

Refer to note 20 for information on non-current assets pledged as security by the Group.

17 Property, plant and equipment (continued)

Cost

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	***Depreciation rate***
Buildings	2%-10%
Plant and equipment	5%-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that have suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

18 Intangible assets

	Goodwill $'000	**Customer Relationships $'000**	**Intellectual property $'000**	**Patents $'000**	**Software $'000**	**Capital work in progress**	**Total $'000**
Year ended 30 June 2026							
Opening net book amount	17,979	3,901	1,547	871	799	570	25,667
Additions	-	-	-	21	28	583	633
Disposals	-	-	-	(20)	-	-	(20)
Transfers	-	-	-	-	602	(602)	-
Exchange differences	(173)	-	-	(5)	(5)	(4)	(187)
Amortisation charge	-	(544)	(216)	(131)	(452)	-	(1,344)
Closing net book amount	17,806	3,357	1,331	736	972	547	24,749
At 30 June 2026							
Cost	21,596	5,443	2,159	1,370	4,641	547	35,756
Accumulated amortisation and impairment	(3,790)	(2,086)	(828)	(634)	(3,669)	-	(11,007)
Net book amount	17,806	3,357	1,331	736	972	547	24,749

	Goodwill $'000	**Customer Relationships $'000**	**Intellectual property $'000**	**Patents $'000**	**Software $'000**	**Capital work in progress**	**Total $'000**
Year ended 30 June 2025							
Opening net book amount	17,917	4,445	1,763	842	983	-	25,950
Additions	-	-	-	160	143	570	873
Exchange differences	62	-	-	5	25	-	92
Amortisation charge	-	(544)	(216)	(136)	(352)	-	(1,248)
Closing net book amount	**17,979**	**3,901**	**1,547**	**871**	**799**	**570**	**25,667**
At 30 June 2025							
Cost	21,968	5,443	2,159	1,376	4,105	570	35,621
Accumulated amortisation and impairment	(3,989)	(1,542)	(612)	(505)	(3,306)	-	(9,954)
Net book amount	**17,979**	**3,901**	**1,547**	**871**	**799**	**570**	**25,667**

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to the cash generating units ("CGU") as follows:

Cash generating unit	**2026 $'000**	**2025 $'000**
Aust Bore Pty Ltd*	-	2,563
Austin Engineering USA Inc.	3,944	4,117
Australia*	13,862	11,299
Net carrying value	**17,806**	**17,979**

* Previously, Aust Bore and the Australian Operations, were identified as two separate cash-generating units (CGUs). Following the combination of Aust Bore with the Australian Operations, management has determined that these operations represent a single CGU for reporting purposes, including for the impairment assessment for the year ended 30 June 2026.

In making this determination, management considered various factors, including the nature of the products and services provided, the similarity of economic characteristics and risk profiles, shared locations and operating arrangements, interdependencies in cash flows, and the existence of a single internal management reporting line. Management concluded that the identification of the Australian business as one CGU is appropriate. This change has no impact on the Group's consolidated financial results.

The Group tests CGUs for impairment on an annual basis. The carrying amount of the CGU has been assessed against its recoverable amount. As a result of the change in CGU identification described above, Aust Bore's goodwill has been allocated to the Australia CGU. This represents a change from the previous impairment assessment, under which goodwill was allocated to the Aust Bore CGU.

18 Intangible assets (continued)

Impairment charge

An impairment assessment was performed at the end of the financial year and no impairment recognised. Similarly, no impairment was recognised in the prior year.

Customer contracts and Intellectual property

The customer contracts and Intellectual property were acquired as part of a business combination in the prior year. They are recognised at fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful life of ten years.

Patents

Patents are recognised at cost less amortisation and any impairment. The cost of patent is recognised when it is first registered with the authorities and the useful life is determined from the registration date to the next renewal date which usually is after five to eight years of the initial recognition. They are amortised on a straight-line basis.

Software

Software is recognised at cost less amortisation and any impairment. The cost of software is recognised when it is first put to use and is amortised over the expected useful life on a straight-line basis. Expected useful life is between three and five years.

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Key assumptions used for value in use calculations

The recoverable amount of the cash generating units is based on value-in-use calculations. These calculations use cash flow projections covering a five year period that are based on financial forecasts of how the business is expected to operate based on current performance consistent with previous experience and external data, excluding any benefit expected to arise from future restructuring or from improved asset performance. Cash flows beyond the five-year period are extrapolated using perpetual growth rates.

The calculation of value-in-use for the CGUs is most sensitive to the following assumptions:

(a) Revenue forecast and cash earnings assumptions;
(b) Growth rates used within the forecast period;
(c) Discount rates; and
(d) Growth rates used to extrapolate cash flows beyond the forecast period.

In performing value-in-use calculations, the Company has applied a pre-tax discount rate to discount the forecast future cash flows. The future cash flow calculations use cash flow projections based on the FY2027 financial budgets approved by the Board. The FY2027 cashflow projections then apply a growth rate between 1.7% and 4.1% depending on the region and covering a five-year period. Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. A risk premium is included in each CGU's discount rate, reflecting the level of forecasting, size, country and financing risks for that CGU. The pre-tax WACC's are shown below:

Pre-tax WACC

Region	2026 %	2025 %
Australia	12.22	11.61
USA	10.73	10.73
Chile	14.37	12.80
Indonesia	14.62	14.44

Perpetual growth rates are applied based on the CGU's location. The average perpetual growth rates used for the CGU's are 2.62% (2025: 2.10%) based on the long-term growth rates experienced in the Group's end-markets and external forecasts.

19 Right-of-use assets and lease liabilities

Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor see note 13.

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2026 $'000	2025 $'000
Right-of-use assets		
Buildings	7,989	16,243
Equipment	-	6
Vehicles	397	87
	8,386	**16,336**
Lease liabilities		
Current	4,720	4,434
Non-current	10,427	14,933
	15,147	**19,367**

Additions to the right-of-use assets during the financial year ended 30 June 2026 were $0.374 million (2025: $20.857 million). The Group's leases primarily relate to property leases, long term lease of equipment and motor vehicles. Amounts recognised in the statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2026 $'000	2025 $'000
Depreciation charge of right-of-use assets		
Buildings	3,212	4,126
Equipment	35	2
Vehicles	43	116
	3,290	**4,244**
Interest expense (included in finance cost)	1,346	1,608
Expense relating to short-term leases (included in Operational expenses)	2,227	60
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in Operational expenses)	-	-

The total cash outflow for leases in fiscal year ended 30 June 2026 was $5.561 million (2025: $5.010 million).

The Group classified lease as short-term lease for $2.227 million for year ended 2026 (2025: $0.060 million)

19 Right-of-use assets and lease liabilities (continued)

Leases (continued)

(ii) The group's leasing activities and how these are accounted for

(i) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(ii) Right-of-use assets

The group recognises right-of-use assets at cost at the commencement date of the lease (i.e., the date the underlying asset is available for use).

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the term and conditions of the lease, a provision is recognised and measured under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Right-of-use assets are subject to impairment in accordance with AASB 136 Impairment of Assets. Any identified impairment loss is accounted for in line with our accounting policy for 'Property, plant and equipment'.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of plant and equipment (i.e. those leases that have a lease of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

20 Financial liabilities

	Current 2026 $'000	Non-current 2026 $'000	Current 2025 $'000	Non-current 2025 $'000
Secured liabilities				
Facilities associated with continuing operations				
Bank borrowings (i)	22,843	-	16,522	16,333
Hire purchase liabilities	15	-	41	-
	22,858	**-**	**16,563**	**16,333**

(i) Bank borrowings:

On 19 February 2025, the Group amended its existing borrowing facility with HSBC. The key terms of the facility include a combination of a term loan facility of $30.750 million, a multi-option line of $22.0 million and $4.570 million of transaction negotiation authority and corporate card facilities expiring on 30 November 2026.The facility has a number of financial covenants being, a borrowing base ratio > 1.00, interest cover ratio > 4 times, leverage ratio < 2.25 times and debt service cover ratio of >1.5. As at 30 June 2026, the Group has complied with all covenants.

Borrowings and hire purchase liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowings and hire purchase liabilities are subsequently measured at amortised cost.

Assets pledged as security - fixed/floating charge

	2026 $'000	2025 $'000
Current		
Floating charge		
Cash and cash equivalents	14,178	13,656
Receivables	46,592	58,056
Inventories	39,818	55,258
Other assets	2,946	3,272
Total current assets pledged as security	**103,534**	**130,242**
Non-current		
Fixed charge		
Property, plant and equipment	35,393	36,226
Intangible assets	24,734	25,655
Total non-current assets pledged as security	**60,127**	**61,881**
Total assets pledged as security	**163,661**	**192,123**

20 Financial liabilities (continued)

Financing facilities

The Group had access to the following financing facilities at the reporting date:

	Consolidated entity	
	2026 $'000	2025 $'000
Total facilities		
Bank facilities - Chile bank guarantees	1,040	1,900
Bank facilities - Multi Option Line limit	22,000	22,030
Bank facilities - term loan	30,750	30,750
	53,790	**54,680**
Utilised facilities		
Bank facilities - Chile bank guarantees	1,040	537
Bank facilities - Multi Option Line limit	11,787	10,029
Bank facilities - term loan*	16,343	28,917
	29,170	**39,483**
Unused		
Bank facilities - Chile bank guarantees	-	1,363
Bank facilities - Multi Option Line limit	10,213	12,458
Bank facilities - term loan	-	-
	10,213	**13,821**

*The term loan balance at 30 June 2026 was $16.343 million (2025: $28.917 million)

In the current year, the financing facility for bank guarantees and revolving credit have combined into a Multi Option Line facility with a limit of $22.000 million. This facility includes sub facilities for Multiple Advance, Documentary Credit and Bank Guarantee/Standby.

21 Equity - share capital

	2026 No.	2026 $'000	2025 No.	2025 $'000
Ordinary shares				
Opening balance	620,530,277	160,171	586,555,743	155,953
Conversion of performance rights	-	-	133,722	69
Conversion of options	-	-	32,830,757	3,654
Share issued for dividend reinvestment plan (net of share buy back costs)	1,593,051	393	1,010,055	495
Shares issued for non cash consideration*	6,620,698	1,986	-	-
Buy back of shares**	(5,633,152)	(1,239)	-	-
Balance at end of year	**623,110,874**	**161,311**	620,530,277	160,171

*Shares issued on 13 October 2025 pursuant to the terms of earn-out arrangements under the Share Sale Deed for Mainetec acquisition, as announced to ASX on 23 August 2022. Refer note 34 for further details.

**There is no current on-market buy-back.

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote per share. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options and Performance Rights Plan

For information relating to Austin Engineering Limited's employee option plan and performance rights plan, including details of options and rights issued, exercised, and lapsed during the financial year and the options and rights outstanding at the year-end, refer to note 34.

Capital management

Management controls the capital of the Group in order to maintain optimal debt to equity and leverage ratios, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's total capital is defined as the shareholders' net equity plus net debt and amounted to $139.43 million at 30 June 2026 (30 June 2025: $156.856 million). The objective when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The gearing ratios for the years ended 30 June 2026 and 30 June 2025 are as follows:

	Notes	2026 $'000	2025 $'000
Total borrowings		(22,858)	(32,897)
Cash and cash equivalents	8	17,073	20,060
Net (debt) / cash excluding lease liabilities		**(5,785)**	**(12,837)**
Total equity		133,644	144,019
Total capital		**139,429**	**156,856**
Net gearing ratio		**4.1%**	**8.2%**

22 Equity – reserves

Share-based payments

The option/performance rights reserve records items recognised as expenses on the valuation of director and employee performance rights.

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulate in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

During the prior year, Austin Inversiones Chile Ltda and Austin Arrendamientos Chile Ltda, fully owned subsidiaries of Austin Engineering Limited changed their functional currency from Chilean Peso (CLP) to US Dollar (USD) on 1 January 2025 following approval from the Chilean Tax Authority. These changes were made to better reflect the nature of the underlying transactions in these entities, as a significant portion of their transactions are conducted in USD. In accordance with AASB 121, The Effects of Changes in Foreign Exchange Rates, the change in functional currency has been applied prospectively from the date of change. This change crystallised the historical accumulated losses of these entities and resulted in a $22.175 million reduction in group accumulated losses, with a corresponding gain in the Foreign Currency Translation Reserve. Assets, liabilities, and equity balances were translated at the closing rate on the change date; income and expenses at average rates during the transaction period. This change does not affect the presentation currency of the consolidated financial statements, which remains Australian Dollars (AUD).

23 Financial risk management

The Group's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group uses, when necessary, derivative financial instruments such as foreign exchange contracts to hedge certain market risk exposures. The Group has no derivatives at the end of the financial year. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk. The Group's policy is to centralise debt and surplus cash balances and also to match the assets and liabilities currency exposure whenever possible.

Risk management is carried out by the finance function under principles and parameters approved by the Board of Directors. The finance function identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

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 in financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Chilean peso, Colombian peso, Peruvian nuevo soles and Indonesian rupiah as a result of its operations in the Americas and Indonesia.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Australian dollar is the functional currency for a large part of the Group's entities and business activities.

Management has put in place a policy requiring business units and group entities to manage their foreign exchange risk against their functional currency. The Group companies are required to bring significant foreign currency transactions to the attention of the central finance function for evaluation as to the use of hedging using forward foreign currency contracts, no such contracts were used during the year.

Sensitivity

A sensitivity analysis was performed at 30 June 2026, to determine how the measurement of financial instruments denominated in a foreign currency would be affected if the Australian dollar weakened or strengthened by 10%. The analysis was performed on the same basis as at 30 June 2025, as indicated below:

	Strengthening by 10%		**Weakening by 10%**	
	Equity $'000	**Profit or loss $'000**	**Equity $'000**	**Profit or loss $'000**
30 June 2026				
US dollar	(2,222)	(766)	2,716	937
Chilean peso	4,191	800	(5,123)	(978)
Indonesian rupiah	(3,232)	(399)	3,951	488
Colombian peso	498	(41)	(609)	50
Peruvian nuevo soles	46	7	(56)	(8)
Canadian dollar	622	51	(760)	(62)
Total	**(97)**	**(348)**	**119**	**427**

23 Financial risk management (continued)

Market risk (continued)

(i) Foreign exchange risk (continued)

Sensitivity (continued)

	Strengthening by 10%		**Weakening by 10%**	
	Equity $'000	**Profit or loss $'000**	**Equity $'000**	**Profit or loss $'000**
30 June 2025				
US dollar	(2,642)	(1,153)	3,229	1,409
Chilean peso	3,307	(78)	(4,042)	95
Indonesian rupiah	(3,308)	(684)	4,043	836
Colombian peso	484	15	(592)	(18)
Peruvian nuevo soles	40	5	(48)	(6)
Canadian dollar	629	(59)	(768)	73
Total	**(1,490)**	**(1,954)**	**1,822**	**2,389**

There is a finance lease receivable of US $12.358 million at 30 June 2026 included in Austin's Chilean operation, a 10% strengthening of the US dollar against the Chilean peso would result in a profit of AUD $1.236 million, whereas a 10% weakening would result in a loss of AUD $1.236 million.

(ii) Price risk

The Group is not exposed to material price risk relating to equity securities and it has therefore not been included in the sensitivity analysis.

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk predominantly arises from long-term borrowings. Borrowings at variable rates expose the group to cash flow interest rate risk and fixed interest rates expose the Group to fair value interest rate risk. The Group analyses its interest rate exposure on an ongoing basis. Various interest rate shifts are simulated taking into account refinancing, renewal of existing positions and facilities, alternative financing and hedging. Based on these interest rate shifts, the Group calculates the impact on profit or loss. The interest rate shift scenario is run only for assets and liabilities that represent the major interest-bearing positions.

The following table analyses the group's financial assets and liabilities that are subject to interest rate risk.

	Consolidated entity			
	Weighted Average Interest Rate %	**2026 $'000**	**Weighted Average Interest Rate %**	**2025 $'000**
Cash	0.1%	17,073	0.1%	20,060
Finance lease receivable*	15.9%	21,758	8.0%	17,510
Financial liabilities – bank borrowings	6.8%	(22,858)	6.7%	(32,897)
Net exposure to cash flow interest rate risk		**15,973**		**4,673**

* During the year the Mainetec and Austin Canada entered the sub lease arrangements, hence the weighted average interest rate is higher compared to the prior year.

The Group's fixed rate borrowings relating to the deferred consideration and hire purchase liabilities and lease liabilities are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

Sensitivity

Based on the simulations performed, the annual impact on profit or loss of a one per cent shift in interest rates on bank borrowings, with all other variables held constant, is estimated to be a maximum increase or decrease of $0.229 million (2025: $0.329 million). The simulation is performed on a bi-annual basis to estimate the maximum loss potential.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or contract, leading to a financial loss. Credit risk arises principally from cash deposits, trade receivables and finance lease receivables. Credit risk is co-operatively managed by the finance function and the operating units for customers, including outstanding receivables and committed transactions and at a Group level for credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. Only reputable banks and financial institutions are dealt with.

23 Financial risk management (continued)

Credit risk (continued)

Definition of default

The Group considers information developed internally or obtained from external sources that indicate whether a debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group) as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet this criteria are generally not recoverable. Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is significantly past due (over 120 days) unless the Group has reasonable and supportable information to demonstrate that a longer default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- significant financial difficulty of the customer;
- a breach of contract, such as a default or past due event;
- it is probable that the customer will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Trade and other receivables:

The Group's exposure to credit risk for trade and other receivables (including contract assets) as well as finance lease receivables is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Group enters into transactions with a number of high quality customers within the resources industry sector thereby minimising concentration of credit risk for trade and other receivables. The Group has multiple contracts with its significant customers, across a number of their subsidiaries, divisions within those subsidiaries and locations. The Group's activities are largely focused on the mining and mining services industry sectors and as a result its credit risk for trade and other receivables as well as finance lease receivables is concentrated in this sector.

Individual risk exposures are set for customers in accordance with specified limits established by management based on independent credit reports, financial information, credit references and the group's credit and trading history with the customer. Outstanding customer receivables are regularly monitored and any credit concerns highlighted to senior management.

The maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event that other parties fail to perform their obligations under financial instruments for each class of reporting recognised financial asset at the reporting date is the carrying amount of those assets as indicated in the statement of financial position.

Impairment loss on financial assets

The Group applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables, finance lease receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables, finance lease receivables and contract assets are grouped based on similar credit risk and aging. The contract assets and finance lease receivables have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on economic factors affecting the Group's customers.

The Group's historical losses are very low as a proportion of the Group's trade receivables as the Group's customer base is made up primarily of large, investment grade credit rated mining and manufacturing companies. In addition to this, it is standard business practice for the Group to receive deposits in advance of work being performed for a portion of sales, this lowers the Group's exposure to trade receivables credit risk.

23 Financial risk management (continued)

Credit risk (continued)

Cash and cash equivalents:

The credit risk on cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due.

The objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions. The Group has established a number of policies and processes for managing liquidity risk. These include:

- Continuously monitoring cash flows on a daily basis as well as forecasting cash flows on a medium and long-term basis;
- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows;
- Maintaining adequate reserves and support facilities;
- Monitoring liquidity ratios and all constituent elements of working capital; and
- Maintaining adequate borrowing and finance facilities.

The Group maintains backup liquidity for its operations and currently maturing debts through a combination of revolving finance facilities, of which $10.213 million remains undrawn at 30 June 2026 (2025: $13.821 million). The principal terms of repayment are detailed in note 20.

The table below analyses the Group's financial liabilities into maturity groupings based on the remaining period from the reporting date to the contractual maturity date. As amounts disclosed in the table are the contractual undiscounted cash flows including future interest payments, these balances will not necessarily agree with the amounts disclosed on the statement of financial position.

At 30 June 2026	No later than one year $'000	Between one and five years $'000	Greater than five years $'000	Contractual cash flows $'000	Carrying value $'000
Trade and other payables	48,450	-	-	48,450	48,450
Financial liabilities	23,498	-	-	23,498	22,858
Lease liabilities	5,386	12,419	-	17,805	15,147
Total	**77,334**	**12,419**	**-**	**89,753**	**86,455**
At 30 June 2025					
Trade and other payables	69,601	-	-	69,601	69,601
Financial liabilities	18,577	19,505	-	38,082	32,896
Lease liabilities	5,304	15,100	2,498	22,902	19,367
Total	**93,482**	**34,605**	**2,498**	**130,585**	**121,864**

24 Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 30 June 2026 the Group did not have any financial instruments that were measured and recorded at fair value. The following methods and assumptions are used to determine the fair values of financial assets and financial liabilities.

Cash and cash equivalents and other receivables

The carrying values approximate their fair value as they are short term in nature or are receivable on demand.

Receivables and other assets

The carrying value approximates their fair value as they are short term in nature.

Short-term borrowings and other payables

The carrying value approximates their fair value as they are short term in nature.

Long-term borrowings

The fair value of variable rate borrowings, repriced within twelve months, approximates the carrying value.

25 Commitments and Contingent liabilities

From time to time, the Group receives legal claims from former employees. The Directors are of the opinion that the likelihood of economic loss for the Group from claims pending at reporting date is low and that the potential quantum of these claims is not material.

Other than the matters noted above and guarantees that are issued to third parties arising out of dealings in the normal course of business, there are no contingent liabilities that require disclosure.

There are no material commitments that require disclosure.

26 Events occurring after the reporting period

Subsequent to year end, the Group successfully refinanced its existing banking facilities. The refinancing extended the facility term by a further three years to November 2029, with no significant changes to the key terms, conditions or funding arrangements. All legal documentation associated with the refinancing was completed on 24 August 2026.

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the financial period, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

27 Interests in other entities

	Place of business/ country of incorporation	Percentage Owned 2026	2025
Subsidiaries			
Aust Bore Pty Ltd	Australia	100%	100%
Mainetec Pty Ltd	Australia	100%	100%
Austbuy Pty Ltd (previously Austin Engineering Treasury Pty Ltd)	Australia	100%	100%
Austin Engineering Singapore Pte Ltd	Singapore	100%	100%
Austin Engineering Offshore Pte Ltd	Singapore	100%	100%
Austin Engineering Batam Pte Ltd	Singapore	100%	100%
PT Austin Engineering Indonesia	Indonesia	100%	100%
Austin Canada Inc.	Canada	100%	100%
Austin Engineering USA Holding, Inc.	USA	100%	100%
Austin Engineering USA Services, Inc.	USA	100%	100%
Austin Engineering USA, Inc.	USA	100%	100%
Austin Engineering South America (No.1) Pty Ltd	Australia	100%	100%
Austin Engineering South America (No.2) Pty Ltd	Australia	100%	100%
Austin Inversiones Chile Ltda	Chile	100%	100%
Austin Ingenieros Chile Ltda	Chile	100%	100%
Austin Arrendamientos Chile Ltda	Chile	100%	100%
Austin Engineering Peru S.A.C	Peru	100%	100%
Austin Ingenieros Colombia S.A.S	Colombia	100%	100%
Austin Engineering Employee Share Trust	Australia	100%	100%

28 Deed of cross guarantee

Austin Engineering Limited and Mainetec Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into a deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations *(Wholly-owned Companies) Instrument 2016/785*. The Deed of Cross Guarantee was lodged with ASIC on 27 February 2024, nominating Austin Engineering Limited as the holding entity.

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Austin Engineering Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2026 of the closed group consisting of Austin Engineering Limited and Mainetec Pty Ltd.

Consolidated statement of comprehensive income

	Closed group 2026 $'000	Closed group 2025 $'000
Revenue from continuing operations	150,490	158,673
Other income	12,251	1,228
Expenses	(164,742)	(163,030)
Loss before income tax	**(2,001)**	**(3,129)**
Income tax benefit	298	3,982
Profit/ (loss) for the year	(1,703)	853
Other comprehensive income		
Item that may be reclassified to profit or loss		
Foreign currency translation differences, net of tax	-	-
Other comprehensive income for the year	-	-
Total comprehensive income/(expense) for the year	**(1,703)**	**853**

28 Deed of cross guarantee (continued)

Below is a consolidated statement of financial position of the Closed Group and represents the entities subject to the Deed of Cross Guarantee.

Consolidated statement of financial position

	Closed group 2026 $'000	Closed group 2025 $'000
Current assets		
Cash and cash equivalents	6,470	4,430
Trade and other receivables	22,754	33,936
Inventories	11,888	15,214
Other receivables and other assets	1,932	2,779
Receivables from related parties	51,935	43,244
Total current assets	**94,979**	**99,603**
Non-current assets		
Property, plant and equipment	5,913	3,580
Intangible assets	2,712	2,087
Deferred tax assets	10,612	10,451
Right-of- use assets	5,818	7,877
Other non-current assets	-	14
Investment	27,374	27,374
Total non-current assets	**52,429**	**51,383**
Total assets	**147,408**	**150,986**
Current liabilities		
Trade and other payables	24,716	18,030
Financial liabilities	22,858	16,563
Current tax liabilities	-	25
Provisions	5,889	6,800
Lease liabilities	2,463	2,022
Total current liabilities	**55,926**	**43,440**
Non-current liabilities		
Trade and other payables	436	1,550
Financial liabilities	-	16,333
Provisions	671	844
Lease liabilities	5,409	7,346
Total non-current liabilities	**6,516**	**26,073**
Total liabilities	**62,442**	**69,513**
Net assets	**84,966**	**81,473**
Equity		
Share capital	161,763	160,171
Retained earnings	(115,927)	(102,203)
Profit reserve	31,071	26,839
Other reserves	7,616	(4,444)
Share based payment reserve	443	1,110
Total equity	**84,966**	**81,473**

29 Parent entity financial information

Summary financial position

The individual financial report for the parent entity shows the following aggregate amounts:

Statement of financial position	**2026 $'000**	**2025 $'000**
Current assets	92,568	101,744
Non-current assets	49,834	46,674
Total assets	142,402	148,418
Current liabilities	54,590	35,396
Non-current liabilities	6,318	24,722
Total liabilities	**60,908**	**60,118**
Net assets	**81,494**	**88,300**
Equity		
Contributed equity	161,311	160,171
Share-based payment reserve	443	1,010
Accumulated losses	(111,331)	(99,820)
Profits Reserve	31,071	26,840
	81,494	**88,201**
Profit/(loss) for the year	(465)	5,495
Other comprehensive income	-	-
Total comprehensive income / (expense)	**(465)**	**5,495**

cc

Contractual commitments for the acquisition of property, plant or equipment

There was no significant capital expenditure contracted for at the end of the reporting year but not recognised as liabilities (2025: nil).

Contingent liabilities

The Parent entity is part of the closed group as disclosed in Note 28. Except for this, the parent entity does not have any contingent liabilities as at 30 June 2026. (2025: nil).

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial report of Austin Engineering Limited. Dividends received from subsidiaries are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

Impairment of investments in subsidiaries by the parent entity is undertaken in the same manner as impairment of intangible assets as disclosed in note 18. In FY2026, the Company did not recognise any impairments in respect of investments in, and loans to, subsidiary companies (2025: nil).

Profits reserve

There was a transfer to the profit reserve of $11.684 million for the period 1 July 2025 to 31 December 2025 in accordance with Board approval. The 2025 final dividend of $5.585 million and the 2026 interim dividend of $1.867 million was paid out of the profit reserve during the year. Remaining distributable profits available to the Group at 30 June 2026 was $31.071 million (2025: $26.840 million).

In the prior year, there was a transfer to the profit reserve of $10.258 million for the period 1 July 2024 to 31 December 2024 in accordance with Board approval. The 2024 final dividend of $4.955 and 2025 interim dividend of $3.721 million was paid out of the profit reserve during the prior year.

30 Cash flow information

(a) Reconciliation of profit after income tax to net cash flow from operating activities

	2026 $'000	2025 $'000
Profit for the year	**6,090**	**25,987**
Adjustment for -		
Depreciation and amortisation	9,702	9,892
Unrealised foreign exchange gain / (loss)	(680)	255
Impairment expense	1,903	3,420
Write back of impairment on asset held for sale		(2,307)
Gain on disposal of property, plant and equipment	(629)	(144)
Share based payment expense	(214)	2,959
Change in operating assets and liabilities –		
(Increase) in receivables	3,163	(11,452)
Decrease / (Increase) in other assets	1,648	347
(Increase) in inventories	24,322	(14,439)
(Decrease) / Increase in payables	(18,804)	(7,469)
(Decrease) / Increase in income taxes payable and deferred	(160)	(8,164)
Increase) /(decrease) in other provisions	339	3,702
Net cash inflow from operating activities	**26,680**	**2,587**

(b) Non-cash investing and financing activities

	2026 $'000	2025 $'000
Acquisition of property, plant and equipment by means of leases	374	20,857

(c) Net debt reconciliation

Net debt	2026 $'000	2025 $'000
Cash and cash equivalents	17,073	20,060
Financial liabilities – repayable within one year	(22,858)	(16,563)
Financial liabilities – repayable after one year		(16,333)
Lease liabilities - repayable within one year	(4,720)	(4,434)
Lease liabilities - repayable after one year	(10,427)	(14,933)
Net debt	**(20,932)**	**(32,203)**

30 Cash flow information (continued)

(c) Net debt reconciliation (continued)

	Cash and cash equivalents $'000	Lease liabilities due within 1 year $'000	Lease liabilities due after 1 year $'000	Financial liabilities - repayable within one year $'000	Financial liabilities - repayable after one year $'000	Total $'000
Net debt as at 30 June 2025	20,060	(4,434)	(14,933)	(16,563)	(16,333)	(32,203)
Cash flows	(2,331)	4,215	-	10,038	-	11,922
Acquisitions	-	65	290	-	-	355
Foreign exchange movements	(656)	(149)	(217)	-	-	(1,022)
Transfer in maturity category	-	(4,434)	4,434	(16,333)	16,333	-
Other changes – Exit of lease arrangement	-	18	-	-	-	18
Net debt as at 30 June 2026	17,073	(4,719)	(10,426)	(22,858)	-	(20,930)

	Cash and cash equivalents $'000	Lease liabilities due within 1 year $'000	Lease liabilities due after 1 year $'000	Financial liabilities - repayable within one year $'000	Financial liabilities - repayable after one year $'000	Total $'000
Net debt as at 30 June 2024	40,193	(4,502)	(7,241)	(33,358)	(917)	(5,825)
Cash flows	(20,991)	6,618	-	16,795	(15,416)	(12,994)
Acquisitions	-	(1,570)	(6,987)	-	-	(8,557)
Transfer from financial liability related to assets held for sale	-	(939)	(3,997)			(4,936)
Foreign exchange movements	858	48	(1,430)	-	-	(524)
Transfer in maturity category	-	(4,502)	4,502	-	-	-
Other changes – Exit of lease arrangement	-	413	220	-	-	633
Net debt as at 30 June 2025	20,060	(4,434)	(14,933)	(16,563)	(16,333)	(32,203)

31 Remuneration of auditors

	Consolidated entity 2026 $	Consolidated entity 2025 $
Auditor of the parent entity (BDO Audit Pty Ltd) for:		
Auditing or reviewing the financial reports of any entity in the Group	347,508	358,634
Network firms of BDO Audit Pty Ltd:		
Auditing or reviewing the financial reports	199,142	304,163
Taxation services (income tax return lodgement)	8,899	26,729
Other services	44,497	69,371
	252,538	400,263
Remuneration of other auditors (non BDO Audit Pty Ltd or related Network firms):		
Auditing or reviewing the financial reports	39,863	41,960
Total auditors' remuneration*	**639,909**	**800,857**

* The comparative amounts are revised to reflect the actual amount paid in respect of the services rendered for the year ended 30 June 2025.

32 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Ultimate parent company

Austin Engineering Limited is the ultimate parent company.

32 Related party transactions (continued)

Controlled entities

Interests in subsidiaries are set out in note 27.

Transactions with other related parties and outstanding balances

There were no transactions with related parties during the year (2025: Nil) and no amounts outstanding to related parties at 30 June 2026 (2025: Nil).

33 Key management personnel compensation

	2026 $	2025 $
Short-term employee benefits	2,051,622	2,207,216
Post-employment benefits	143,429	136,810
Long-term benefits	66,523	169,010
	2,261,574	**2,513,036**

Detailed remuneration disclosures are provided in the remuneration report on pages 36 to 45.

34 Share-based payments

Equity settled share-based payments form part of the remuneration of employees (including executives) of the Group. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options and performance rights with the relative TSR performance measure is calculated at the grant date using the Monte-Carlo simulation model, taking into account, amongst other things, the impact of the TSR condition and that right holders are not entitled to dividends during the vesting period. The fair value of performance rights with the relative EPS performance measure is calculated using the Black-Scholes pricing model, taking into account that right holders are not entitled to dividends during the vesting period.

The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Group has the following share-based payment arrangements:

- Performance rights
- Options
- Cash incentive arrangements
- Share based payments relating to post completion arrangements following Mainetec acquisition.

The net expense / (income) arising from share-based payment transactions recognised during the period as part of employee benefits expense was $(0.218) million (2025: $2.959 million).

34 Share-based payments (continued)

Performance rights

On 23 November 2018, the shareholders of the company voted to approve the Austin Engineering Limited (Austin) Performance Rights Plan. This plan was reapproved at the 2021 AGM and the 2024 AGM. The Performance Rights Plan is a long-term incentive aimed at creating a stronger link between employee performance and reward and increasing shareholder value by enabling senior executives to have greater involvement with and share in the future growth and profitability of the Company.

As at reporting date, outstanding Performance Rights granted on the terms and conditions of the Company's Performance Rights Plan and vesting details are set out below:

Grant Date	Performance Conditions	Performance Period	Test Date	Number of Rights	Expiry Date
25-July-22	Tenure	1-Jun-22 to 30-Jun-23 1-Jun-22 to 30-Jun-24 1-Jun-22 to 30-Jun-25	30-Jun-23 30-Jun-24 30-Jun-25	230,166	1-Aug-27
06-Nov-23	EPS and TSR	1-Jul-23 to 30-Jun-26	30-Jun-26	957,000	06-Nov-28
08-Apr-24	EPS and TSR	1-Jul-23 to 30-Jun-26	30-Jun-26	240,096	08-Apr-29
06-Feb-25	EPS and TSR	1-Jul-24 to 30-Jun-27	30-Jun-27	6,033,500	27-Aug-29
Forfeited/Converted/Lapsed in respect of the above				(732,466)	
			Total	**6,728,296**	

During the year no performance rights were issued. In the prior year, on 15 October 2024, 133,722 performance rights were converted into 133,722 ordinary shares at an exercise price of nil. These conversions were made in accordance with the terms of the Group's performance rights plan.

Out of the 6,033,500 performance rights granted during the year, 433,300 performance rights were issued to the Chief Financial Officer.

The following table shows the performance rights granted, expired/forfeited, exercised, outstanding and exercisable at the reporting date:

	2026 No.	Weighted Average Exercise Price 2026 $	2025 No.	Weighted Average Exercise Price 2025 $
Outstanding at beginning of year	7,059,596	-	1,245,540	-
Granted	-	-	6,033,500	-
Exercised	-	-	(133,722)	-
Forfeited/lapsed	(331,300)	-	(85,722)	-
Outstanding at end of year	6,728,296	-	**7,059,596**	-
Total exercisable at end of year	-	-	-	-

The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Performance Rights	Expiry date	Exercise price	Share Price Grant date	Est. volatility	Risk free interest rate	Weighted average fair value rights granted	Fair Value TSR	Fair Value EPS	Fair Value Tenure
25/07/22	Tenure	01/08/27	-	$0.245	N/A	3.1%	$0.225	N/A	N/A	$0.225
06/11/23	EPS and TSR	06/11/28	-	$0.25	50%	4.36%	$0.175	$0.100	$0.250	N/A
08/04/24	EPS and TSR	08/04/29	-	$0.47	50%	3.71%	$0.393	$0.3155	$0.4700	N/A
06/02/25	EPS and TSR	27/08/29	-	$0.54	45%	3.58%	$0.368	$0.1951	$0.5409	N/A

The expected price volatility is based on the historic volatility (based on the remaining life of the rights), adjusted for any expected changes to future volatility due to publicly available information.

34 Share-based payments (continued)

Options

At the Annual General Meeting held on 6 November 2025, shareholders approved the issue of 3,673,581 Options as part of the Chief Executive Officer's remuneration package. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Number of Options	Expiry Date	Share price at grant date	Exercise price	Hurdle rate	Est. volatility	Risk-free interest rate	Dividend yield	Fair value of option
6 November 2025	1,224,527	11/02/2029	$0.21	$0.32	$0.50	50%	3.64%	5.23%	$0.025
6 November 2025	1,224,527	11/02/2029	$0.21	$0.32	$0.60	50%	3.64%	5.23%	$0.022
6 November 2025	1,224,527	11/02/2029	$0.21	$0.32	$0.69	50%	3.64%	5.23%	$0.018

The Options are divided into nine tranches and are each subject to two separately considered performance conditions, both of which must be satisfied in respect of each tranche and before that particular tranche will vest and become capable of exercise. The applicable performance conditions are set out in the following table:

		Share Price Hurdle			
		50 cents	60 cents	69 cents	Total
Retention Dates	30 June 2026	(Tranche1) 344,828	(Tranche 2) 392,857	(Tranche 3) 486,842	**1,224,527**
	30 June 2027	(Tranche 4) 344,828	(Tranche 5) 392,857	(Tranche 6) 486,842	**1,224,527**
	30 June 2028	(Tranche 7) 344,828	(Tranche 8) 392,857	(Tranche 9) 486,842	**1,224,527**
	Total	**1,034,484**	**1,178,571**	**1,460,526**	**3,673,581**

The above 3,673,581 Options to Managing Director approved by shareholders on 6 November 2025. However, these are not yet issued as at the date of this report.

5,000,000 Options were issued to the Chief Operating Officer, in accordance with the terms of the Option Plan on 12 January 2023. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Number of Options	Expiry Date	Share price at grant date	Exercise price	Hurdle rate	Est. volatility	Risk-free interest rate	Dividend yield	Fair value of option
04/01/23	1,530,000	04/01/2026	$0.35	$0.35	$0.45	50%	3.04%	2.5%	$0.121
04/01/23	1,620,000	04/01/2026	$0.35	$0.35	$0.55	50%	3.04%	2.5%	$0.116
04/01/23	1,850,000	04/01/2026	$0.35	$0.35	$0.65	50%	3.04%	2.5%	$0.110

The Options are divided into nine tranches and are each subject to two separately considered performance conditions, both of which must be satisfied in respect of each tranche and before that particular tranche will vest and become capable of exercise. The applicable performance conditions are set out in the following table:

		Share Price Hurdle			
		45 cents	55 cents	65 cents	Total
Retention Dates	4 January 2024	(Tranche 1) 510,000	(Tranche 2) 540,000	(Tranche 3) 616,666	**1,666,666**
	4 January 2025	(Tranche 4) 510,000	(Tranche 5) 540,000	(Tranche 6) 616,667	**1,666,667**
	4 January 2026	(Tranche 7) 510,000	(Tranche 8) 540,000	(Tranche 9) 616,667	**1,666,667**
	Total	**1,530,000**	**1,620,000**	**1,850,000**	**5,000,000**

Of the above options issued to the Chief Operating Officer, 510,000 options (Tranche 1) vested on 2 May 2024 and 540,000 (Tranche 2) options vested on 26 July 2024 following satisfaction of the applicable retention and share price performance conditions. On 13 September 2024, these 1,050,000 vested options were converted to 321,534 ordinary shares by cashless exercise based on a 5-day VWAP of $0.504485.

On 15 January 2025, 1,050,000 options granted under Tranche 4 and Tranche 5 vested following satisfaction of the applicable retention and share price performance conditions.

34 Share-based payments (continued)

During the financial year, a further 1,050,000 Options (Tranches 7 and 8) vested following satisfaction of the applicable retention condition, noting that the relevant share price performance condition had been achieved in a prior testing.

Accordingly, a total of 3,150,000 Options (Tranches 1,2,4,5,7 and 8) vested under the Option Plan. Of these, 1,050,000 Options (Tranches 1 and 2) were exercised into ordinary shares on 13 September 2024. The remaining 2,100,000 vested Options (Tranches 4,5,7 and 8) remained exercisable at an exercise price of $0.35 per Option until 12 April 2026. These vested Options lapsed, unexercised on 12 April 2026.

The remaining 1,850,000 Options (Tranches 3,6 and 9) did not satisfy the applicable share price performance condition within the relevant testing period and, in accordance with the terms of the Incentive Option Plan, did not vest and lapsed on 12 April 2026.

The following table shows the Options granted, expired/forfeited, exercised, outstanding and exercisable at the reporting date:

	2026 No.	Weighted Average Exercise Price 2026 $	2025 No.	Weighted Average Exercise Price 2025 $
Outstanding at beginning of year	3,950,000	0.35	47,900,000	0.13
Granted*	3,673,581	0.32	-	-
Expired	(3,950,000)	-	-	-
Exercised	-	-	(43,950,000)	-
Forfeited/lapsed	-	-	-	-
Outstanding at end of year	3,673,581	0.32	3,950,000	0.35
Exercisable at end of year	-	-	-	-
Exercisable at end of year	3,673,581	0.32	1,050,000	0.35

* All the above 3,673,581 Options to Managing Director approved by shareholders on 6 November 2025. However, these are not yet issued as at the date of this report.

Cash Incentive Arrangement

The Company entered into a cash incentive arrangement with the CFO on 21 November 2022. The valuation model inputs used to determine the fair value are as follows.

Grant date	Share price at grant date	Est. volatility	Risk-free interest rate
21/11/22	$0.27	60%	3.20%

The applicable performance conditions are set out below. The CFO must be employed with the Company at the end of each Performance Period.

Period	Performance period	LTI achievement hurdle	Test date
1	1 December 2022 to 30 June 2024	Max 60-day VWAP > 34 cents[1]	1 July 2024
2	1 July 2024 to 30 June 2025	Max 60-day VWAP > 41 cents *Un-earnt incentive from Period 1 can be earnt if the VWAP is above 34 cents*	1 July 2025
3	1 July 2025 to 30 June 2026	Max 60-day VWAP > 47 cents *Un-earnt incentive from Period 1 and 2 can be earnt if the VWAP is above 34 and 41 cents respectively*	1 July 2026

[1] *where the VWAP is of the listed shares of Austin Engineering Limited*

The Incentive for each Performance Period will be calculated using the following formula:

PERIOD	INCENTIVE CALCULATION
1	[(Max 60-day VWAP) -22 cents] x 972,094
2	[(Max 60-day VWAP) - 22 cents] x 613,953
3	[(Max 60-day VWAP) -22 cents] x 613,953

Where:
Maximum 60-day VWAP = the lower of the actual maximum 60-day VWAP in dollars for the Performance Period or 75 cents.

For Performance Period 1 and 2, the amount earnt will be calculated and "banked" until the end date of 1July 2026 at which point all vested incentives will be recalculated using the following formula. The recalculation will only occur based on the formula above if the Chief Financial Officer is in the employ of the Company at the end date of 1 July 2026.

34 Share-based payments (continued)

The Maximum Incentive that can be earnt in each Performance Period is as follows:

PERIOD	PERFORMANCE PERIOD	MAXIMUM INCENTIVE
1	1 December 2022 to 30 June 2024	($0.75 – $0.22) x 972,094 = **$515,210**
2	1 July 2024 to 30 June 2025	($0.75 -$0.22) x 613,953 = **$325,395**
3	1 July 2025 to 30 June 2026	($0.75 -$0.22) x 613,953 = **$325,395**
	TOTAL	**$1,166,000**

Incentive for performance periods 1 and 2
The Incentive for Performance Period 1 as outlined above has been determined in FY2024. The 60-day VWAP ending 30 June 2024 was 52.97 cents. The calculation was as per below:

Calculation = [$0.5297-$0.22] x 972,094 = $301,057.51

As outlined above the above, an amount of $301,057.51 was "banked" until the end date of 1 July 2026 at which point all vested incentives will be recalculated using the above formula. The recalculation will only occur based on the formula above if the Chief Financial Officer is in the employ of the Company at the end date of 1 July 2026.

The incentive for Performance Period 2 was tested in FY2025. The 60-day VWAP ending 30 June 2025 was 35.87 cents which was lower than the hurdle of the 60 day VWAP being 41 cents. As this hurdle was not met, no incentive was banked in relation to performance period 2.

The incentive for Performance Period 3 was tested in FY2026. The 60-day VWAP ending 30 June 2026 was 16.45 cents which was lower than the hurdle of the 60 day VWAP being 47 cents. As this hurdle was not met, no incentive was banked in relation to performance period 3.

Post completion arrangements relating to the Mainetec acquisition

Under the terms of the Mainetec acquisition in August 2022 Austin also entered into a post- completion arrangement to incentivise continued employment and further performance over a three-year period. Under this arrangement, up to $6.0 million can be paid (in Austin shares) if various performance hurdles are met. Those incentive hurdles relate, respectively, to:

General revenue – up to $3.0 million

Revenue from Mainetec's buckets business must equal or exceed an agreed annual revenue target in any financial year prior to 30 June 2025 (for the full earn-out amount to be paid). Revenue below a lower (but still substantial) baseline figure will not qualify for any payment, and payment will be pro-rated for revenue that exceeds the baseline (but is less than the target).

Dipper revenue – up to $2.0 million

Aggregate revenue for the period 1 July 2022 to 30 June 2025 from worldwide sales of Mainetec sourced new dippers and related sales (but excluding sales that relate to existing work in progress and any further Australian refurbishing or rebuild work) must equal or exceed an agreed revenue hurdle. If aggregate revenue is below this, no amount is payable.

New business offering – up to $1.0 million

Mainetec entering into a new (Australia wide) contract (for a new business line) at prices acceptable to Austin with a large Australian mining company (or any of its related bodies corporate) and four other operators prior to 30 June 2025. If these contracts are not entered into, no amount is payable.

The number of shares that may be issued are calculated by dividing the revenue earnout amount under the three categories described above divided by the Issue Price. Issue price is the price per Austin Share equal to the volume weighted average price of fully paid ordinary shares in Austin traded on the ASX, measured over the 30 days prior to the third anniversary date, but subject to the minimum issue price equal to the floor price. If when determining the number of shares to be issued under the agreement, the issue price is less than the floor price, then Austin is required to make a cash payment on the day on which the earn out shares are issued to each vendor equal to the shortfall relevant to the vendor.

The binding agreement was entered into between Austin, the three individual founders of Mainetec, and the three shareholders of Mainetec at the acquisition date (each of which is associated with one of the founders). Each of the three founders will be required to continue to be employed by Austin at the end of the three-year incentive period in order for the associated vendor to receive any earn-out shares. In accordance with the requirements of accounting standards, these post completion arrangements are considered share-based payments for employment services and will be expensed over the three-year service period, with the expense weighted based on management's assessment of the probability that the relevant conditions will be met. As at the end of the reporting period, Management has assessed the probability of the earn out shares vesting. An expense of $2.0 million was recognised in the prior year and shares issued in the current period. Refer note 21 for details of shares issued in the current period.

35 Critical accounting estimates and judgements

Key estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of intangibles

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and require the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. For information relating to the value-in-use calculations refer to note 18.

Taxation - Carried forward tax losses

The Group has tax losses that have the potential to reduce tax payments in future years. Deferred tax assets have been recognised to the extent that their recovery is probable, having regard to the projected future taxable income of these taxable entities and after taking account of specific risk factors that affect the recovery of these assets.

Fair value of held for sale

The Group assesses fair value of assets held for sale each period with reference to external valuation information. In respect to property assets, the Group utilise a valuation from a third-party independent valuations expert to assess fair value. Valuations take into account comparable sales in the area and physical condition of the facilities. In respect to plant and equipment relating to discontinued operations, the Group valued this equipment based on the highest offer received at reporting date for these assets, less estimated costs to sell.

Determining the lease term of contracts with renewal and termination options – Group as lessee

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 several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The average incremental borrowing rate across leases is 8.58% (2025: 8.12%).

Determining the lease term of contracts with renewal and termination options – Group as lessee

Where the Group enters into sublease arrangements as an intermediate lessor, sublease income is recognised over the term of the sublease in accordance with the lease agreement. The Group continues to recognise and account for its obligations under the head lease. Subleases are classified as finance lease receivables in accordance with the requirements of AASB16 *Leases*.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes model to value the rights with the EPS performance conditions or tenure performance conditions and a Monte-Carlo simulation to value the rights with the TSR performance conditions. Options and cash settled incentives are valued using a Monte-Carlo simulation. Refer to note 34 for key assumptions used in the valuation.

Impairment of right-of-use asset

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and require the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. For more information relating to the value-in-use calculations refer to note18.

Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Warranty provision

In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

35 Critical accounting estimates and judgements (continued)

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer based on Inco terms of the contract, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Bill and Hold Transactions

The company occasionally enters into bill and hold arrangements with customers at their request, recognising revenue when the goods are billed and physically segregated in the holding yard, as this is when the performance obligation is satisfied and the risks and rewards of ownership have transferred to the customer. Key considerations include the transaction being initiated at the customer's request, the goods being clearly identified and set aside, the customer's acknowledgement of the arrangement, and the maintenance of relevant documentation.

Taxation – Transfer pricing

The Group has applied IFRIC 23 Uncertainty over Income Tax Treatments in assessing its income tax liabilities. IFRIC 23 requires entities to evaluate whether it is probable that a taxation authority will accept each tax treatment, including those related to transfer pricing arrangements. During the year, the Group entered into intercompany transactions involving cross-border services and goods. The transfer pricing methodology applied to these transactions is subject to interpretation and may be challenged by relevant taxation authorities. Management has exercised significant judgement in determining the appropriate arm's length pricing and has considered the likelihood of acceptance by the taxation authorities.

36 Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial report is for the Group consisting of Austin Engineering Limited and its subsidiaries.

(a) New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period and have not been early adopted by the group. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(b) Basis of preparation

The general purpose financial report has been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Austin Engineering Limited is a for-profit entity for the purpose of preparing the financial report. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

In preparing the financial report on the going concern basis management has considered the following factors:

- As at 30 June 2026, the Group has net current assets of $41.733 million (2025: $68.505 million)
- As at 30 June 2026, the Group has a net asset position of $133.64 million (2025: $144.019 million)
- The Group generated positive cashflows from operating activities of $26.679 million for the year ended 30 June 2026 (2025: $2.587 million)
- The Group has a net debt (excluding lease liabilities) position of $5.786 million as at 30 June 2026 (2025: Net debt position of $12.837 million).
- Subsequent to year end, the Group successfully refinanced its existing banking facilities. The refinancing extended the facility term by a further three years to November 2029, with no significant changes to the key terms, conditions or funding arrangements. All legal documentation associated with the refinancing was completed on 24 August 2026.

(c) Principles of consolidation and equity accounting

(i) ***Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

36 Material accounting policy information (continued)

(d) Foreign currency translation

(i) ***Functional and presentation currency***

Items included in the Financial report of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Financial report are presented in Australian dollars ($), which is Austin Engineering Limited's functional and presentation currency.

(ii) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) ***Group companies***

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the reporting date,
- income and expenses for each Consolidated statement of profit or loss and Consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

36 Material accounting policy information (continued)

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(f) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(g) Rounding of amounts

All amounts disclosed in the Financial report and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

(h) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Consolidated entity disclosure statement

Name of entity	Type of entity	Trustee	% of share capital	Country of Incorporation	Australian resident	Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Austin Engineering Limited	Body Corporate	n/a	100	Australia	Yes	n/a
Aust Bore Pty Ltd	Body Corporate	n/a	100	Australia	Yes	n/a
Mainetec Pty Ltd	Body Corporate	n/a	100	Australia	Yes	n/a
Austbuy Pty Ltd (previously Austin Engineering Treasury Pty Ltd)	Body Corporate	n/a	100	Australia	Yes	n/a
Austin Engineering South America (No.1) Pty Ltd	Body Corporate	n/a	100	Australia	Yes	n/a
Austin Engineering South America (No.2) Pty Ltd	Body Corporate	n/a	100	Australia	Yes	n/a
Austin Engineering Singapore Pte Ltd	Body Corporate	n/a	100	Singapore	Yes	Singapore*
Austin Engineering Offshore Pte Ltd	Body Corporate	n/a	100	Singapore	Yes	Singapore*
Austin Engineering Batam Pte Ltd	Body Corporate	n/a	100	Singapore	Yes	Singapore*
PT Austin Engineering Indonesia	Body Corporate	n/a	100	Indonesia	No	Indonesia
Austin Canada Inc.	Body Corporate	n/a	100	Canada	No	Canada
Austin Engineering USA Holding, Inc.	Body Corporate	n/a	100	USA	Yes	USA*
Austin Engineering USA Services, Inc.	Body Corporate	n/a	100	USA	No	USA
Austin Engineering USA, Inc.	Body Corporate	n/a	100	USA	No	USA
Austin Inversiones Chile Ltda	Body Corporate	n/a	100	Chile	No	Chile
Austin Ingenieros Chile Ltda	Body Corporate	n/a	100	Chile	No	Chile
Austin Arrendamientos Chile	Body Corporate	n/a	100	Chile	No	Chile
Austin Engineering Peru S.A.C	Body Corporate	n/a	100	Peru	No	Peru
Austin Ingenieros Colombia S.A.S	Body Corporate	n/a	100	Colombia	No	Colombia
Austin Engineering Employee Share Trust	Trust	CPU Share Plans Pty Limited	100	Australia	Yes	n/a

* These entities are also a tax resident in their respective countries of incorporation. However, they are assessed as an Australian resident under the Income Tax Assessment Act 1997 and therefore not classified as a foreign resident under that Act. *(voluntary disclosure)*

Consolidated entity disclosure statement (continued)

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as 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, each of the Austin 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 Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Directors' declaration
30 June 2026

In the Directors' opinion:

(a) the Financial report and notes set out on pages 49 to 94 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date, and

(b) the remuneration disclosures contained in the Remuneration Report in the Directors' Report comply with section 300A of the *Corporations Act 2001*.

(c) there are reasonable grounds to believe that the Austin Engineering Limited will be able to pay its debts as and when they become due and payable.

(d) the information disclosed in the attached consolidated entity disclosure statement on pages 95 to 96 is true and correct.

(e) there are reasonable grounds to believe that the entities identified as members of the “closed group” (as defined in Note 28 to the financial statements), being parties to a Deed of Cross Guarantee dated 27 February 2024, will be able to meet any obligations or liabilities to which they are, or may become, subject under that deed.

Note 36 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

J. A. Walker

Jim Walker
Non - Executive Chair

24 August 2026
Perth

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Austin Engineering Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Austin Engineering Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is 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 financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Key audit matters

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.

Independent Auditor's Report
(continued)

Revenue Recognition

Key audit matter	How the matter was addressed in our audit
Revenue is disclosed in Note 2 of the financial report. The Group generates revenue from multiple streams across several jurisdictions, including the manufacture and supply of mining equipment, spare parts sales and the provision of maintenance and support services. Certain customer arrangements involve specific contractual terms, including ex-works and bill-and-hold arrangements. These arrangements require management to exercise judgement in determining whether control of the goods has transferred to the customer and, consequently, whether revenue recognition criteria under AASB 15 *Revenue from Contracts with Customers* have been satisfied. Revenue recognition was a key audit matter due to the significance of revenue to the Group's financial performance, the judgement involved in determining the timing of revenue recognition for certain contractual arrangements, and the presumed risk of fraud in revenue recognition under Australian Auditing Standards. Accordingly, our audit focused on whether revenue was recognised in the appropriate reporting period.	Our procedures included, but were not limited to the following: • Assessing the Group's revenue recognition policies for compliance with AASB 15; • Obtaining an understanding of and evaluating the design and implementation of key internal controls over revenue recognition; • Assessing the risk of management override relating to revenue recognition, including testing manual revenue journals and NetSuite exception reports; • Testing a sample of manufacturing revenue transactions by assessing relevant performance obligations have been met by agreeing to supporting documentation; • Performing a sales match data analytic for the manufacturing revenue stream to identify differences between sales orders, invoices, and fulfillments; • Attending inventory stocktakes at year end and testing goods on hand to assess whether revenue had been recognised only where control had transferred to customers, including for bill-and-hold and ex-works transactions; • Performing cut-off testing around year end to assess whether revenue is recognised in the appropriate reporting period; • Assessing bill-and-hold arrangements against the criteria in AASB 15, including evaluating whether the arrangements are substantive, the goods are separately identified and ready for transfer, and cannot be redirected to alternative customers; • Testing a sample of service and spare parts revenue transactions to supporting documentation and assessing the timing of revenue recognition; and • Assessing the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

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 of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this 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 (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Independent Auditor's Report
(continued)

BDO

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 36 to 45 of the directors' report for the year ended 30 June 2026.

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

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

BDO Audit Pty Ltd

Phillip Murdoch

Director

Perth, 24 August 2026

Additional Shareholder Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 1 August 2026.

DISTRIBUTION OF ORDINARY SHARES

The number of shareholders, by size of holding, are:

Range	No of Holders	No of Shares
1–1,000	668	187,298
1,001–5,000	958	2,756,013
5,001–10,000	524	4,105,606
10,001–100,000	1,502	59,617,444
100,001 and over	567	556,444,513
Total	**4,219**	**623,110,874**

The number of shareholders holding less than a marketable parcel of ordinary shares is 1,322 (being 3,449 Shares as at 1 August 2026).

PERFORMANCE RIGHTS

The Company has 7,059,596 Performance Rights on issue. Performance Rights do not entitle the holders to vote in respect of that performance right, nor participate in dividends, when declared, until such time as the performance rights vest and are subsequently registered as ordinary shares.

DISTRIBUTION OF PERFORMANCE RIGHTS

The number of performance right holders, by size of holding, are:

Range	No of Holders	No of Performance Rights
1–1,000		-
1,001–5,000		-
5,001–10,000		-
10,001–100,000	5	335,000
100,001 and over	20	6,393,296
Total	**25**	**6,728,296**

VOTING RIGHTS

All ordinary shares issued by the company carry one vote per share without restriction.

RESTRICTED SECURITIES

There are 6,620,698 ordinary shares that are subject to voluntary escrow until 13 October 2026.

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Name	Number of Shares	% of Shares
1. Thorney International Pty Ltd[1]	133,739,794	21.55%
2. David Singleton and Jill Singleton[2]	32,827,908	5.3%

1. See ASX Announcement on 8 August 2025.
2. See ASX Announcement on 10 September 2024.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest registered holders of quoted ordinary shares are:

No		No of Shares	% of Shares
1	UBS NOMINEES PTY LTD	74,477,048	11.95
2	CITICORP NOMINEES PTY LIMITED	57,647,880	9.25
3	THORNEY INTERNATIONAL PTY LTD	36,030,625	5.78
4	BNP PARIBAS NOMS PTY LTD	26,182,575	4.20
5	MR BARRY PAUL KING	19,400,000	3.11
6	SANDHURST TRUSTEES LTD <WENTWORTH WILLIAMSON A/C>	17,206,821	2.76
7	MR DAVID SINGLETON	16,254,612	2.61
8	JILL MARJORIE SINGLETON	16,254,611	2.61
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,698,087	2.52
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	9,058,957	1.45
11	MR BRETT ASHLEY HAMPSON <THE B AND B FAMILY A/C>	5,793,111	0.93
12	CERTANE CT PTY LTD <CHARITABLE FOUNDATION>	5,301,336	0.85
13	ACE PROPERTY HOLDINGS PTY LTD	5,200,000	0.83
14	AHRENS D&C HOLDINGS PTY LTD <AHRENS D&C HOLDINGS A/C>	5,000,000	0.80
15	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,650,044	0.75
16	CERTANE CT PTY LTD <BIPETA>	4,578,383	0.73
17	VANWARD INVESTMENTS LIMITED	4,241,670	0.68
18	CHIN YAW CHAN	4,115,838	0.66
19	UPTON TRADING PTY LTD	4,016,322	0.64
20	R J MEREDITH ESTATE PTY LTD <ROBIN MEREDITH WILL A/C>	3,528,333	0.57
TOTAL		**334,636,253**	**53.70**

SECURITIES EXCHANGE QUOTATION

The Company's ordinary shares are listed on the Australian Securities Exchange (Code: ANG). The Home Exchange is Perth.

ON-MARKET SHARE BUY-BACK

On 25 September 2025, the Company announced an on-market share buy-back for up to 10% of Austin's ordinary shares to be undertaken over proceeding 12 months, unless completed or terminated earlier.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the 2026 financial year can be accessed at:
https://www.austineng.com/corporate-governance/

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Principal Bankers

HSBC Bank Australia
Level 33, QV1
250 St Georges Terrace
Perth WA 6000
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Company Secretary

Sarah Wilson

Stock Exchange

Australian Securities Exchange

ASX Code

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Website

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