MONADELPHOUS GROUP LIMITED

A.B.N. 28 008 988 547

CONSOLIDATED FINANCIAL REPORT

30 JUNE 2026

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CONTROLLED ENTITIES
Monadelphous Engineering Associates Pty Ltd
Monadelphous Engineering Pty Ltd
Monadelphous Properties Pty Ltd
Monadelphous Workforce Pty Ltd
Genco Pty Ltd
Monadelphous Electrical & Instrumentation Pty Ltd
Monadelphous PNG Ltd
Monadelphous Holdings Pty Ltd
Moway International Limited
Inteforge Pty Ltd
Moway AustAsia Steel Structures Trading (Beijing) Company Limited
Monadelphous RTW Pty Ltd
Monadelphous Group Limited Employee Share Trust
Monadelphous KT Pty Ltd
Monadelphous Energy Services Pty Ltd
Monadelphous Mongolia LLC
M&ISS Pty Ltd
M Maintenance Services Pty Ltd
Monadelphous NPI Pty Ltd
M Workforce Pty Ltd
Monadelphous Investments Pty Ltd
MWOG Pty Ltd
Arc West Group Pty Ltd
MOAG Pty Ltd
Monadelphous International Holdings Pty Ltd
R.I.G. Installations (Newcastle) Pty Ltd
R E & M Services Pty Ltd
Pilbara Rail Services Pty Ltd
EC Projects Pty Ltd
Inteforge Engineering & Fabrication (Tianjin) Co. Ltd
MMW Projects Pty Ltd
BMC Holdings (Vic) Pty Ltd
BMC Welding & Construction Pty Ltd
BMC HV Electrical & Instrumentation Pty Ltd
Melchor Contracting Pty Ltd
High Energy Service Pty Ltd
High Energy Service Group Pty Ltd
Kerman Contracting Pty Ltd
Australian Power Industry Partners Pty Ltd

Monadelphous is an Australian engineering group headquartered in Perth, Western Australia, providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors.

The Company builds, maintains and improves its customers' operations through safe, reliable, innovative and cost-effective service solutions. It aims to be recognised as a leader in its chosen markets and a truly great company to work for, work with and invest in.

OUR HISTORY

Monadelphous emerged from a business which started in 1972 in Kalgoorlie, Western Australia, providing general mechanical contracting services to the growing mining industry.

The name Monadelphous was adopted in 1978 and by the mid-1980s the Company had expanded into a number of markets, both interstate and overseas. In the late 1980s, a major restructure of the Company took place with the business refocusing on maintenance and construction services in the resources industry.

By the 1990s, under a new management team, the Company had established the foundations for sustained growth and continued to diversify and extend its reputation as a supplier of multidisciplinary construction, maintenance and industrial services to many of the largest resources and energy companies.

Today, Monadelphous' shares are included in the S&P/ASX 200 index.

OUR OPERATIONS

Monadelphous has two operating divisions working predominately in Australia, with overseas operations and offices in China, Mongolia, Papua New Guinea, Vietnam and the Philippines.

Engineering Construction

The Engineering Construction division provides large-scale, multidisciplinary and vertically integrated project management and construction services. These include earthworks, structural concrete and inground services, fabrication, modularisation, structural, mechanical, piping, heavy lift, electrical and instrumentation, commissioning, demolition, design and construction of non-process infrastructure, high-voltage electrical construction, and balance-of-plant design and construction of renewable energy developments.

Maintenance and Industrial Services

The Maintenance and Industrial Services division specialises in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, sustaining capital works, fixed plant maintenance services, access solutions, specialist coatings, rail maintenance and high-voltage electrical maintenance services.

OUR PURPOSE

To build, maintain and improve our customers' operations through the reliable delivery of safe, cost-effective and customer-focused solutions.

OUR VISION

Monadelphous will achieve long-term sustainable growth by being recognised as a leader in our chosen markets and a truly great company to work for, to work with and invest in.

We are committed to the safety, wellbeing and development of our people, the delivery of outstanding service to our customers and the provision of superior returns to our shareholders.

OUR COMPETITIVE ADVANTAGE

We deliver what we promise.

OUR VALUES

Safety and Wellbeing

We show concern and actively care for others. We always think and act safely.

Integrity

We are open and honest in what we say and what we do. We take responsibility for our work and our actions.

Achievement

We are passionate about achieving success for our customers, our partners and each other. We seek solutions, learn and continually improve.

Teamwork

We work as a team in a cooperative, supportive and friendly environment. We are open-minded and share our knowledge and achievements.

Loyalty

We develop long-term relationships, earning the respect, trust and support of our customers, partners and each other. We are dependable, take ownership and work for the Company as our own.

The Directors of Monadelphous Group Limited are pleased to report the Company's financial results for the year ended 30 June 2026.

FINANCIAL RESULTS

Revenue

Monadelphous reported a record annual revenue result of $2.98 billion[1] for the financial year ended 30 June 2026, a 31.5 per cent increase on the prior year, with strong operating conditions experienced across all sectors.

Activity levels were supported by the record level of work secured during the previous period, together with more than $2.7 billion in new contracts and contract extensions awarded since the beginning of the 2026 financial year.

The Engineering Construction division delivered revenue of $1.37 billion[1], an increase of around 48.5 per cent on the prior year, with significant project activity experienced in the iron ore sector. The result also reflected the success of the Company's service expansion and integrated services delivery strategy, with growth in the Melchor civil business and Inteforge's fabrication services, as well as the acquisition of Kerman Contracting. Zenviron, the Company's renewable energy business, also experienced higher activity levels with the delivery of larger wind and battery energy storage projects.

The Maintenance and Industrial Services division reported record annual revenue of $1.61 billion, up 20 per cent on last year, reflecting high levels of turnaround activity and project work in the energy sector, and increased levels of maintenance activity with iron ore customers.

Statutory revenue from contracts with customers, which excludes Monadelphous' share of revenue from joint ventures, was $2.79 billion.

Earnings

Strong operational performance and economies of scale resulting from growth during the period drove a significant lift in earnings for the Company.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was $226.0 million[2], an increase of 42.9 per cent on the prior period, delivering an EBITDA margin of 7.58 per cent.

Net profit after tax was $127.3 million, up 52.1 per cent compared to the prior financial year, resulting in earnings per share of 127.6 cents.

Dividend

Monadelphous' Board of Directors declared a final dividend of 59 cents per share, taking the full year fully franked dividend to 108 cents per share, resulting in a dividend payout ratio of 85 per cent.

The Monadelphous Group Limited Dividend Reinvestment Plan will apply to the final dividend.

Balance sheet

Monadelphous ended the year with a cash balance of $293.6 million, boosted by a number of material advances associated with the award of several large construction contracts. Increased activity levels within the business contributed to cash flow from operations for the period of $245.1 million and the Company delivered a strong cash flow conversion rate of 147.4 per cent.

The Company's strong balance sheet continues to support investment in strategic growth opportunities that will deliver long-term business sustainability and shareholder value.

[1] Includes Monadelphous's share of joint venture revenue – refer to page 17 for reconciliation
[2] Refer to page 17 for reconciliation of EBITDA

STRATEGIC PROGRESS

Monadelphous has been awarded more than $2.7 billion in new work since 1 July 2025 and enters the 2027 financial year with a strong pipeline of committed work, an expanded customer base and a broadening capability aligned with long-term industry growth prospects.

Over $1.6 billion of construction and maintenance contracts were secured in Western Australia's (WA) iron ore sector during the period.

In construction, awards included a multidisciplinary contract with BHP associated with the Jimblebar Train Load Out Replacement Project, a car dumper replacement contract, also with BHP, valued at approximately $175 million, and a contract with Rio Tinto worth approximately $250 million for the Brockman Syncline 1 iron ore development.

Subsequent to year end, Monadelphous was also awarded a major construction contract, valued at around $200 million, associated with the Port Debottlenecking Project 2 located at BHP's Nelson Point Port Facility in Port Hedland. The scope includes the installation and commissioning of all structural, mechanical, piping, electrical and instrumentation activities associated with the construction of the new Car Dumper 6 and its supporting materials handling facilities, with work expected to be completed in 2028.

The Company secured several long-term services contracts with iron ore customers in the Pilbara. Awards included three contracts with Rio Tinto, including a five-year contract valued at approximately $300 million for fixed plant and shutdown maintenance services, a three-year contract for multidisciplinary sustaining capital works, and a new five-year panel award to provide mobile crane and lifting services. The Company was also awarded a three-year contract to continue delivering maintenance services across Fortescue's Pilbara operations and secured extensions to its BHP maintenance and panel agreements.

In the energy sector, Monadelphous progressed the provision of multidisciplinary services associated with the hook-up and commissioning of Woodside's Floating Production Unit in the Scarborough Gas Field, located approximately 375 kilometres off the Pilbara coast of WA, and forming part of Woodside's Scarborough Energy Project. The Company also secured a contract with Technip Energies for the provision of multidisciplinary services associated with the hook-up and commissioning of Shell's Crux platform. The platform, which is located approximately 620 kilometres north-east of Broome and is around 160 kilometres from Shell's Prelude floating liquefied natural gas (FLNG) facility, forms part of the long term backfill to Prelude.

Monadelphous continues to grow its market position supporting Australia's energy transition. A major highlight was the award of a $380 million construction contract with CS Energy for the Brigalow Peaking Power Plant near Chinchilla in Queensland. Once operational, the facility will supply energy to more than 150,000 homes during peak demand, supporting grid reliability and complementing renewable energy. Work will commence in the second half of 2026 and is scheduled for completion in early 2029.

The Company also continued to support Fortescue's decarbonisation activities during the year, completing construction of the North Star Junction battery energy storage system (BESS), located south of Port Hedland, WA, and securing its third BESS project for Fortescue at the Cloudbreak mine site, WA. Monadelphous was also awarded a contract to install wind turbine generators as part of Fortescue's Nullagine Wind Project in WA.

Zenviron, the Company's renewable energy joint venture, further strengthened its market position with the award of a contract to deliver the Bennetts Creek BESS in the Latrobe Valley, Victoria, including balance-of-plant design, construction, installation and commissioning, with completion expected in late 2027.

Monadelphous completed several strategic acquisitions during the year, progressing its markets and growth strategy and enhancing the Company's capability.

In November 2025, the Company acquired Kerman Contracting (Kerman), a Western Australian-based design and construction business specialising in non-process infrastructure. Kerman has a long-established reputation for the successful delivery of site infrastructure, accommodation, bulk storage and materials handling facilities in the resources, agriculture, and transport and port infrastructure sectors. The acquisition further broadens Monadelphous' delivery capability, enabling the provision of non-process infrastructure design and construction services across both existing and new markets. Post year end, Kerman secured a contract for the design and construction of non-process infrastructure associated with Rio Tinto's Brockman Syncline 1 project, valued at approximately $165 million.

The Company also advanced its energy transition strategy through the acquisition of Australian Power Industry Partners (APIP), a high-voltage electrical contractor servicing utilities, resources and renewable energy customers across multiple states of Australia. This acquisition further expands the Company's high-voltage electrical services offering following the acquisition of Perth-based High Energy Service, which completed on 1 July 2025.

SUSTAINABILITY

Monadelphous remains focused on achieving long-term sustainable growth and building on its strong reputation as a trusted business that people choose to work for, partner with, and invest in. The Company is committed to ensuring the safety and wellbeing of its people, delivering strong value for customers and shareholders, and contributing to and supporting local communities.

This approach is guided by the Company's Sustainability Framework, which includes the key focus areas of People, Safety and Wellbeing, Diversity and Inclusion, Community and Environment.

People

Monadelphous' workforce (including subcontractors) at 30 June 2026 totalled a record 9,365 people, a 3 per cent increase on the prior year. The Company remains focused on retaining, developing and attracting highly talented people who align with the Company's values and contribute to its ongoing success.

During the year, around 430 graduates, undergraduates, apprentices, and trainees participated in Monadelphous' early career programs, with nearly 200 of the Company's emerging and senior leaders engaged in programs focused on networking and leadership development skills. The Company's ongoing focus on employee development supported strong key talent retention of 97 per cent.

Monadelphous also introduced a new contracts pathway within the graduate program for commerce and law graduates to develop contracts specialists, and also launched a bespoke program to develop its own skilled and capable riggers.

During the year, the Company's registered training organisation continued to deliver a significant number of workforce development activities for trades personnel including high-risk work licencing, nationally accredited training, and verification of competency assessments.

Monadelphous continued its long-standing partnership with the Starick Foundation in Perth, WA, and 4Voices in Brisbane, Queensland, supporting the organisations' work in providing safety and assistance to women and children experiencing family and domestic violence. The Company again participated in the '16 Days in WA' walk in collaboration with the Chamber of Minerals and Energy Western Australia, demonstrating its ongoing commitment to advocacy and community leadership in preventing family and domestic violence.

Safety and Wellbeing

Monadelphous' 12-month Total Recordable Injury Frequency Rate at 30 June 2026 improved by 19 per cent to 3.57 incidents per million hours worked, following successful campaigns to ensure the safety and wellbeing of its employees through a period of rapid growth.

The Company's High Potential Incident Frequency Rate also continued to improve, reaching a historically low level, reflecting a relentless focus on the prevention of fatal risks.

Guided by its safety principle The Safe Way is the Only Way and its Fatal Risk Control Standards, programs were rolled out to engage frontline employees and enhance awareness of the key controls to eliminate the risk of fatal hazards.

An in-depth review was completed of forklift operations and interaction with pedestrians, followed by the rollout of a campaign to focus awareness and compliance on the most critical, essential and practical controls for reducing risk in this area. The Company also reviewed the effectiveness and efficiency of competency assessments for high-risk work, improving the focus on fatal risks.

Monadelphous enhanced its use of technology to address safety hazards, embedding and refining the Driver Fatigue and Distraction Monitoring systems, as well as utilising drones for high-risk inspections to eliminate the need for employees to enter confined spaces.

The Company progressed the rollout of a Pedestrian Avoidance System on mobile plant including forklifts, telehandlers and cranes. The system uses Artificial Intelligence (AI) to identify and alert operators and pedestrians where proximity limits are reached. The Company also implemented Franna Crane Overload Over-ride Monitoring, an in-house innovation to prevent articulated cranes from toppling or being overloaded.

Employee health and wellbeing remained a priority. Psychosocial risk management and mental wellbeing awareness were enhanced through the implementation of training programs focusing on risk management and improved mental health. The Company continues to provide employees with complimentary services and resources supporting physical, mental and emotional wellbeing.

Externally, the Company was recognised for its commitment to safety and wellbeing with the award of the 2025 AREEA Mental Health and Wellbeing Award for its Wellbeing Supporter Program, and was also named as a finalist in both the Technology and Engineering categories at the Workplace Health and Safety Foundation Awards of Excellence. Furthermore, Alevro was recognised as a finalist in the Department of Local Government, Industry Regulation and Safety (LGIRS) Work Health and Safety Excellence Awards 2025.

Diversity and Inclusion, Community and Environment

Monadelphous is committed to promoting a positive legacy in the regions where it operates, with a focus on enhancing diversity and inclusion, enriching communities and successfully progressing towards its Net Zero by 2050 goal.

The Company launched its new Stretch Reconciliation Action Plan 2026-2029, having exceeded the commitments outlined in its previous plan. The new plan sets clear priorities across four key areas including strengthening cultural learning and understanding, investing in development, training and career pathways, gaining a deeper insight into how best to influence engagement, attraction and retention, and further developing collaboration with business partners.

Monadelphous' Aboriginal and Torres Strait Islander workforce participation rate at 30 June 2026 was 3.2 per cent, continuing its commitment to providing meaningful, long-term employment, training and development opportunities for Indigenous peoples. Initiatives included supporting career pathways for current and future Aboriginal and Torres Strait Islander employees through traineeships, apprenticeships and the Indigenous Pathways Program in partnership with Rio Tinto, which was extended for a further five years. The Company also continued its partnership with the Polly Farmer Foundation, focused on creating industry pathways for students and alumni.

The Company strengthened its engagement with Indigenous businesses, spending approximately $40 million with Indigenous suppliers during the financial year, an increase of approximately 42 per cent on the previous period.

Monadelphous continues to promote development opportunities and celebrate the contributions of women across the business in line with its Gender Diversity and Inclusion commitments. Several employees were recognised with industry awards for their efforts, including at the BHP Women in Resources National Awards, the Gladstone Engineering Alliance Awards, and the Women in Resources Awards in the Northern Territory.

The Company advanced its objectives around diversity, inclusion and education through the AREEA Bright Future STEM Program and the AREEA Elevate Roundtable, helping inspire future careers in STEM and providing networking opportunities for women across the resources sector.

Monadelphous also strengthened its relationship with the National Association of Women in Operations (NAWO) by promoting Walk and Talk networking events and supporting employee participation in the Gender Equity Men program, which gives men in operational leadership the tools, frameworks and peer support to implement change. Together, these initiatives reflect a sustained and strategic commitment to building stronger communities, supporting social equity and fostering meaningful partnerships.

The Company continued to support local communities during the year, expanding its Community Grants Program from three to eight regions. More than 350 applications were received, with nearly $130,000 contributed across around 100 community grassroots organisations. In total, Monadelphous invested around $200,000 in 130 community organisations across 19 locations.

Monadelphous further advanced its environmental commitments associated with its Net Zero by 2050 goal, progressing a suite of initiatives. A major focus was the expansion of onsite renewable energy generation across operational facilities. Approximately 40 per cent of total power consumption across the Company's owned facilities with solar installations is now sourced from renewable energy.

Monadelphous also strengthened its low emissions fleet capability through targeted investment informed by trials conducted through the Net Zero working group. The Company acquired two 250 tonne hybrid cranes and integrated two electric forklifts into its fleet, reducing fuel consumption and operational emissions. In parallel, the Company also purchased its first BESS with a supporting solar panel system, with the objective of deploying these power solutions more broadly following successful commissioning.

During the year, the Company completed preparations for reporting under Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures for the year ended 30 June 2026 and embedded its greenhouse gas reporting solution to support compliance with the new disclosure requirements. Work progressed on the development of Scope 3 greenhouse gas emissions methodology and data collation in preparation for reporting in 2027.

PRODUCTIVITY AND INNOVATION

Monadelphous is committed to continuous improvement and understanding industry trends and technologies which positively impact operational performance. The Company actively engages employees in creating innovative solutions that create a safer workplace, while delivering greater productivity and value for customers.

During the year, Melchor developed a one-step wall-pouring method for a customer's urea storage facility, delivering labour and equipment cost reductions, while also enhancing safety. The team engineered a solution eliminating the requirement for a second concrete pour, reducing the working-at-height exposure, whilst also delivering significant time savings.

Monadelphous' maintenance team at a major LNG processing facility were recognised for the creation of a lifting cradle innovation. Designed to safely handle motors weighing up to 400 kilograms, the cradle replaced a higher-risk traditional method and provided a stable, adjustable and easy-to-operate solution that retrofits to existing trolleys, improving safety and reducing downtime.

For an offshore energy customer, the Company developed a ventilation solution to enable multiple confined space entries that were previously prohibited due to safety constraints. This solution eliminated cross-contamination risks and enabled simultaneous work without relying on traditional controls.

At an alumina refinery, the Monadelphous team identified that several pressure relief valves were no longer required due to existing protections. Their permanent removal eradicated a recurring high-risk task, removed the need for scaffolding and specialised handling, and is delivering ongoing savings for the customer, while reducing hazardous waste generation.

The Company continues to actively monitor and harness emerging technologies to advance innovation, safety and productivity, and ensures that appropriate governance structures are in place to guide the safe, ethical and effective use of AI, positioning Monadelphous to benefit from AI's potential.

OPERATIONAL ACTIVITY

Engineering Construction

Monadelphous' Engineering Construction division reported revenue of $1.37 billion[3] for the period, an increase of 48.5 per cent on the prior year. Demand for construction services was strong across the iron ore and energy sectors, with a greater revenue contribution from projects with integrated services. The division has secured more than $1.6 billion of new contracts since 1 July 2025, including several major multidisciplinary contracts.

The Company successfully performed several packages of work for BHP during the period, including the Car Dumper 3 Renewal Project at Nelson Point in Port Hedland and Orebody 32 in Newman, both in WA. Work also commenced on an additional car dumper project at Finucane Island in Port Hedland, as well as on a major multidisciplinary construction contract associated with BHP's Jimblebar Train Load Out Replacement Project near Newman, with the earthworks and civil services delivered by Melchor, and fabrication and procurement being performed by Inteforge.

Monadelphous was also awarded a major multidisciplinary construction contract with Rio Tinto at the Brockman Syncline 1 iron ore development in WA's Pilbara region. The integrated contract includes fabrication and supply, detailed concrete and earthworks, structural, mechanical, piping and electrical and instrumentation works. Shutdown and miscellaneous services were also delivered at Rio Tinto's Western Range Project in Paraburdoo, along with electrical and instrumentation services at the Parker Point Stockyard Sustaining Project near Dampier, both in WA.

Monadelphous continued to support Fortescue's energy transition and commitment to decarbonising its Pilbara operations, securing several BESS and wind projects in WA.

In the energy sector, modification works continued at the Woodside-operated Pluto Liquefied Natural Gas (LNG) Train 1 facility near Karratha, WA, with Monadelphous installing new piping and electrical infrastructure to the existing plant, as well as performing testing and insulation works. The Company also completed the installation and modification of essential electrical power and control infrastructure for Chevron Australia's Jansz-Io Compression Project in WA.

[3] Includes Monadelphous's share of joint venture revenue

Monadelphous completed work on a multidisciplinary construction contract at BHP's Prominent Hill Expansion Project in South Australia, as well as at Talison Lithium's Greenbushes site in the southwest of WA.

In Queensland, the Company secured a major construction contract late in the year with CS Energy for the Brigalow Peaking Power Plant near Chinchilla, and also completed electrical and instrumentation works for McConnell Dowell Constructors and B.M.D. Constructions Joint Venture on the Fitzroy to Gladstone Pipeline.

Melchor progressed structural concrete works for the Saipem Clough Joint Venture at Project Ceres, Perdaman Industries' urea plant near Dampier, WA, with Alevro providing heavy haulage services to the project. Melchor also progressed work on the Geraldton Port Maximisation Project in WA for Mid West Ports Authority. Post year end, Melchor secured a contract with Pilbara Ports associated with the Utah Ring Road Reconstruction Project at the Utah Bulk Handling Facility in Port Hedland, WA. Work will commence immediately and is expected to be completed in the first half of 2028.

Monadelphous was awarded a new five-year panel contract to provide mobile crane and lifting services across Rio Tinto's Pilbara operations in WA. The Company continued to provide heavy lift services across Fortescue's iron ore sites in the Pilbara, with Alevro delivering specialist haulage and lifting services to Woodside-operated facilities in Karratha.

Inteforge supported Iluka's Eneabba Rare Earths Refinery Project through the supply and fabrication of structural steelwork and pipe racks, and also secured a two-year extension to its master goods agreement with Origin Energy for the supply of modularised equipment.

Kerman, the Company's recently acquired design and construction business specialising in non-process infrastructure, experienced strong market demand for its services and was awarded two significant contracts with Rio Tinto in WA's Pilbara region. The first was for the design and construction of non-process infrastructure at the Hope Downs 2 project. Subsequent to year end, Kerman secured a contract valued at approximately $165 million for the design and construction of non-process infrastructure facilities associated with the Brockman Syncline 1 project. The work, which includes a heavy mine equipment workshop, as well as heavy and light mine equipment washdown, tyre change and fuel storage and refuelling facilities, is expected to be completed in 2028.

Zenviron experienced high levels of activity in the renewable energy sector, progressing balance-of-plant design and construction activities for EnergyAustralia's Wooreen BESS in the Latrobe Valley, Victoria, as well as at CS Energy's Lotus Creek Wind Farm in Central Queensland. APIP, Monadelphous' recently acquired high-voltage electrical business, will install 33kV overhead lines at the Lotus Creek Wind Farm.

Maintenance and Industrial Services

Monadelphous' Maintenance and Industrial Services division reported its fifth consecutive year of record revenue, reaching $1.61 billion, an increase of 20 per cent on the prior period, with demand particularly strong within the energy and iron ore sectors. Since the beginning of the financial year, the division secured approximately $1.1 billion in new contracts and contract extensions.

Significant demand continued from energy customers including INPEX, Woodside and Shell. The Company also expanded its customer base with the award of a four-year contract with BW Offshore Australia to provide multidisciplinary maintenance services at the BW Opal Floating Production Storage and Offloading (FPSO) facility, located approximately 300 kilometres north-northwest of Darwin, Northern Territory (NT).

Monadelphous delivered shutdown and other major works for INPEX. High levels of activity were experienced at the Ichthys LNG onshore processing plant in Darwin, NT, as well as at the Ichthys Explorer central processing facility and the Ichthys Venturer FPSO facility in the Browse Basin, WA.

The Company continued to deliver maintenance, shutdown and brownfields project services under its long-term agreement at Woodside's onshore and offshore gas production facilities in north-west WA. Monadelphous also progressed planning and execution work associated with the hook-up and commissioning of Woodside's Floating Production Unit in the Scarborough Gas Field, off WA.

Maintenance services were provided at Shell's Prelude FLNG facility off the coast of WA, alongside planning and execution work for a major turnaround which commenced late in the 2026 financial year. After securing a contract with Technip Energies, the Company provided multidisciplinary services associated with the hook-up and commissioning of Shell's Crux platform located around 160 kilometres from Shell's Prelude FLNG facility.

In Queensland, the Company was awarded a three-year contract, with two one-year extension options, to deliver multidisciplinary services at Santos' upstream field development and production operations.

Western Australia's iron ore sector continued to experience strong demand for maintenance services, with Monadelphous delivering a large volume of work and securing significant sustaining capital and maintenance contracts with key customers Rio Tinto, BHP and Fortescue.

Monadelphous was awarded two major multi-year contracts to continue providing fixed plant shutdown services and multidisciplinary sustaining capital works at Rio Tinto's Pilbara iron ore operations. The Company was also awarded a contract for the fabrication, supply, installation and commissioning of a new dust collector and ventilation system at Rio Tinto's Paraburdoo mine.

The Company continued to deliver maintenance services at Rio Tinto's Tom Price mine, as well as multidisciplinary construction services at Brockman 4 for an ammonium nitrate storage facility. Monadelphous also progressed structural remediation works at Rio Tinto's Paraburdoo, Marandoo and Western Turner Syncline sites, as well as modifications to the existing process plant for the Hope Downs 2 project. Furthermore, the Company secured a 12-month extension to its Rio Tinto marine structural integrity works master agreement, and under the agreement progressed replacement works at the Cape Lambert Wharf.

Monadelphous secured a three-year contract to continue delivering maintenance services across Fortescue's Pilbara operations and performed upgrade works on the Rolling Stock Maintenance Workshop at Fortescue's Thomas Marshalling Yard in Port Hedland.

The Company was awarded a three-year extension to its maintenance master services agreement across BHP's Pilbara iron ore operations and was reappointed for a further two years to the Western Australia Iron Ore (WAIO) Site Engineering Panel.

In Queensland, Monadelphous extended its long-standing relationship with Queensland Alumina Limited with a two-year contract for the provision of mechanical maintenance and shutdown services. The Company was also awarded a five-year extension to its contract providing maintenance services at Newmont's gold operations in Boddington, WA, and Tanami, NT, with a 12-month contract secured post year end for the provision of services at Glencore's Murrin Murrin Operations located in the Goldfields region of WA.

Monadelphous secured a further three-year agreement to continue providing operations and maintenance services at Synergy's Muja Power Station in Collie, WA, and was appointed to a panel to provide maintenance services for Port Waratah Coal Services in Newcastle, New South Wales (NSW).

In Papua New Guinea, Monadelphous secured further work with Santos, for the demolition and disposal of the Hegigio Pipeline Bridge, as well as two contracts associated with the APF Tie-In Project, for the construction of temporary camp facilities, along with well pad, gathering systems and brownfield facility upgrades. The Company also secured a construction contract with Harmony Gold at the Hidden Valley Gold Mine in the Morobe Province.

Other significant contract activity during the year included:

- Completing decommissioning services for Petrofac on the Northern Endeavour FPSO;
- Maintenance and shutdown services at BHP's Olympic Dam mine site in Roxby Downs, SA;
- Sustaining capital projects and maintenance support at Newmont's Lihir Island operations in Papua New Guinea;
- Maintenance services at Santos' production and support facilities in the Southern Highlands region in Papua New Guinea;
- Compressor station upgrade works at Jemena's Eastern Gas Pipeline Reversal Project in Victoria and NSW;
- Rail maintenance projects for Pacific National across WA, NSW and SA;
- Maintenance services at BHP's Mt Arthur Coal in the Hunter Valley, NSW;
- Shutdown and maintenance services, as well as minor project works, at South32's Worsley Alumina operations, WA;
- Rope access and associated services for Dalrymple Bay Coal Terminal in Hay Point, Queensland; and
- Dragline shutdowns for BHP Mitsubishi Alliance and Whitehaven Coal in Central Queensland.

MARKETS AND OUTLOOK[4]

The long-term outlook for the resources and energy sectors remains strong. While geopolitical and trade-related uncertainties may have moderated, they continue to influence some investment decisions.

Production levels for most commodities are forecast to grow, supporting the continued demand for sustaining capital works and maintenance services. The iron ore sector is expected to continue investing in both new projects and existing operations to maintain production rates, with a high focus on productivity and cost competitiveness.

The outlook for energy transition metals continues to strengthen, supported by improving battery metal prices and advancing major investment decisions. Over the medium to long-term, growth in mining and mineral processing, particularly for copper, other base metals and critical minerals, is expected to accelerate in response to increasing global demand, driving significant investment across the sector.

The energy sector continues to present substantial opportunities, supported by multiple gas construction projects and sustained demand for maintenance services. Monadelphous remains well positioned to support customers across the full asset life cycle, including late-life operations and decommissioning activities.

Increasing energy demand, together with the rapid expansion of data centres, decarbonisation initiatives, and grid stability requirements is driving long-term investment in energy generation, storage, and transmission infrastructure. Monadelphous is well positioned to capitalise on energy transition opportunities by leveraging its broad services capability and expanded high-voltage services offering, while Zenviron is well placed to secure further wind farm and battery energy storage system projects. Investment in gas generation to support baseload and peaking power requirements is also forecast to grow, presenting further opportunities for Monadelphous' integrated capabilities.

The Company's committed pipeline remains strong, with more than $680 million in new contracts secured since the beginning of the new financial year. Following a period of significant expansion, during which revenue increased approximately 50 per cent over the past two years, FY27 is expected to focus on consolidating the business and positioning for future growth.

Monadelphous is well positioned to capitalise on its broadening revenue base, robust pipeline of opportunities and positive outlook across all key markets.

[4] This document may provide forward-looking statements, including forecast financial information, relating to the future financial or operational performance of Monadelphous. These statements are based on assumptions that are subject to risks, uncertainties and factors which may be outside the control of Monadelphous. Whilst due care and attention has been taken in preparing the assumptions underlying any forward-looking statements in this document, actual results may vary.

The Company remains committed to delivering quality earnings through a considered and selective approach to new work, strong and collaborative customer relationships, high standards of execution, and prudent risk management.

Supported by a strong balance sheet, the Company will continue to leverage its enhanced delivery capability, including recent acquisitions, while maintaining the flexibility to pursue strategic opportunities that support long-term sustainable growth.

In closing, I thank the entire Monadelphous team for their dedication and commitment, which are fundamental to our continued success. I also extend my gratitude to our customers, shareholders, and the many other stakeholders for their ongoing trust and support.

Robert Velletri
Chair
24 August 2026

A review of the Company's performance over the last five years is as follows:

	2026 $'000	2025 $'000	2024 $'000	2023 $'000	2022 $'000
Revenue	**2,796,117**	2,162,571	2,015,915	1,725,691	1,810,390
Total revenue from contracts with customers including joint ventures	**2,980,074**	2,265,875	2,029,758	1,828,755	1,930,040
EBITDA	**226,026**	158,211	127,436	109,083	111,201
Profit before income tax expense	**179,912**	119,140	91,945	73,446	73,511
Income tax expense	**52,612**	35,393	29,720	21,520	21,227
Profit after income tax expense attributable to equity holders of the parent	**127,300**	83,721	62,203	53,543	52,219
Basic earnings per share	**127.56c**	85.01c	64.08c	55.85c	54.90c
Interim dividends per share (fully franked)	**49.00c**	33.00c	25.00c	24.00c	24.00c
Final dividends per share (fully franked)	**59.00c**	39.00c	33.00c	25.00c	25.00c
Net tangible asset backing per share	**528.62c**	486.08c	458.99c	437.97c	427.54c
Total equity and reserves attributable to equity holders of the parent	**569,049**	497,836	465,594	437,978	412,184
Depreciation	**44,933**	42,331	37,719	33,157	33,097
Debt to equity ratio	**7.2%**	8.4%	11.7%	8.7%	14.3%
Return on equity	**22.4%**	16.8%	13.4%	12.2%	12.7%
EBITDA margin	**7.6%**	7.0%	6.3%	6.0%	5.8%

Revenue including joint ventures is a non-IFRS measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to revenue presented by other companies. This measure, which is unaudited, is important to management when used as an additional means to evaluate the Company's performance.

Reconciliation of Total Revenue from Contracts with Customers including joint ventures to Statutory Revenue from Contracts with Customers (unaudited)

	2026 $'000	2025 $'000
Total revenue from contracts with customers including joint ventures	**2,980,074**	2,265,875
Share of revenue from joint ventures [1]	**(193,269)**	(112,719)
Statutory revenue from contracts with customers	**2,786,805**	2,153,156

EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. This measure, which is unaudited, is important to management as an additional way to evaluate the Company's performance.

Reconciliation of profit before income tax to EBITDA (unaudited):

	2026 $'000	2025 $'000
Profit before income tax	**179,912**	119,140
Interest expense on loans and hire purchase finance charges	**2,257**	2,570
Interest expense on other lease liabilities	**1,279**	1,222
Interest revenue	**(9,312)**	(9,415)
Depreciation of owned and hire purchase assets	**36,586**	34,234
Depreciation of right of use assets	**8,347**	8,097
Amortisation of intangibles	**2,047**	820
Share of interest, depreciation, amortisation and tax of joint ventures [2]	**4,910**	1,543
EBITDA	**226,026**	158,211

[1] Represents Monadelphous' proportionate share of the revenue from joint ventures accounted for using the equity method.
[2] Represents Monadelphous' proportionate share of the interest, depreciation, amortisation and tax of joint ventures accounted for using the equity method.

GOVERNANCE

The Board of Directors of Monadelphous Group Limited is responsible for establishing the Group's corporate governance framework with regard to the ASX Corporate Governance Council's Principles and Recommendations.

The Board guides and monitors the business and affairs of Monadelphous on behalf of its shareholders, by whom they are elected and to whom they are accountable. The Group has in place charters, policies and procedures which support the framework and ensure a high standard of governance is maintained.

Monadelphous' full Corporate Governance Statement, Board and Committee charters, and the Group's governance policies, are published on its website.

RISK MANAGEMENT

Risk management roles and responsibilities

The Board is responsible for setting the strategic direction of the Group and for creating and maintaining the environment and structures within which risk management practices can operate effectively. The Board also sets the Group's appetite for risk taking and risk tolerance.

The Audit Committee, in conjunction with the Board, assesses the effectiveness of risk management policies, procedures and internal controls in identifying business and financial risks and controlling their financial impact by considering any significant matters identified by management.

The Managing Director and Chief Financial Officer have ultimate accountability to the Board for the risk management and internal control system. The Group Risk function is responsible for the risk management framework. The risk management framework describes the processes and tools available to manage the risks which relate to the achievement of the Group's vision and strategic objectives. It involves the identification of material risks relevant to the Group's objectives, nominating risk appetite, assessing the risks in terms of likelihood and consequence, determining a response strategy and monitoring progress. It also provides a feedback mechanism to enable knowledge sharing. The framework is designed to identify potential events that may impact the Group and manage risks within the risk appetite endorsed by the Board to provide reasonable assurance regarding the achievement of vision and strategic objectives.

The risk management framework is made up of the following elements:

1. Control Environment – The control environment sets the tone for the Group's risk management, influencing the risk consciousness of its people and sets the basis for how risk is viewed and addressed. It is the foundation for all other components of risk management and provides discipline and structure. It includes the Group's risk management philosophy and risk appetite, integrity and ethical values, and the environment in which it operates.

2. Risk Identification and Assessment – The identification and evaluation of internal and external factors that impact the Group's performance and ability to meet its vision and strategic objectives. This includes the structured and disciplined oversight of all operations at both the Board and executive level and periodic environmental scans to understand current conditions in which the Group operates.

3. Risk Management and Control Activities – Risk management processes, including related systems of internal control, are formalised and maintained within the Group's Business Management System (BMS). The BMS contains the policies and procedures designed to ensure that the Group operates within the risk appetite set by the Board. The BMS formalises the actions to be taken to ensure the effective management of operations, protection of shareholder value, compliance management and regulatory reporting. Risk management processes and controls include a range of activities as diverse as approvals, authorisations, performance reviews and the appropriate segregation of duties. The Group Process Authorities is a tool used to apply decision making and expenditure authorities as approved by the Board consistently across the Group.

4. Information and Communication – Relevant information is identified, captured and effectively communicated in a timely manner that enables people to carry out their responsibilities effectively and efficiently. Technology plays an important role in the flow of information in the Group, from its core business systems for accounting, through to its incident reporting system which provides an early warning system detailing the effectiveness with which major incidents and hazards are being managed.

5. Monitoring and Reporting – The processes to determine whether performance objectives are being met and internal controls are operating as designed. Both key performance indicators and internal controls need to be monitored regularly to assess performance. Any deficiencies detected through these monitoring activities should be reported and corrective actions taken to ensure the continued reliability of the system. Tools in place include strategic planning and analysis, the annual budget process, key performance indicator reporting, customer surveys, Board reporting, risk appetite and assessment reporting, the Group Assurance function and its associated reporting to the Audit Committee, the ongoing health, safety, environmental and quality certification process, and the Group's productivity and innovation framework.

The Group Assurance function is responsible for providing an appraisal of the adequacy of, and compliance with, the risk management and internal control system. The Group Assurance function reports to the Audit Committee and undertakes the annual audit plan as approved by the Audit Committee. The function formally reports to the Audit Committee twice a year, or more regularly as required.

On an annual basis, the Audit Committee reviews the Group's risk management framework and makes recommendations to the Board. A review of the framework was conducted during the year ended 30 June 2026 with no material governance changes required.

The Board formally reviews the material business risks and risk tolerance levels as part of the Group's annual strategic planning process to ensure risks are effectively identified and addressed. Regular updates are provided by management on the effectiveness of the Group's management of its material business risks. This includes an assessment of whether the Group is operating within, approaching or outside the Board's risk tolerance levels.

Economic, social and environmental sustainability risks

In conducting its business, the Group takes commercial and business risks to achieve its objectives and deliver shareholder value. It is exposed to various risks in its day-to-day operation, both general and Group specific. The ability of the Group to achieve its objectives and long-term sustainable growth is impacted by the effective management of the risks to which it is exposed. The key material risks faced by the Group, and the management thereof, are outlined below, with further detail provided in the Chair's Report.

Risk Type	Identified Material Risk
Economic sustainability risks	External market forces
	Contract pricing
	Contractual risk
	Operational execution
	Liquidity
	Acquisitions and joint ventures
	Foreign exchange
	Innovation and technology
	Cyber security and information technology (IT) business continuity
	Compliance with laws and regulations
Social sustainability risks	Employee retention, attraction and development
	Harm to people (safety and wellbeing)
	Industrial relations
Environmental sustainability risks	Harm to the environment
	Climate risk

Economic sustainability risks

External market forces

The Group operates in the resources, energy and infrastructure sectors. The demand for Monadelphous' services can vary greatly as a result of changes in market conditions, including the timing and award of projects, project deferrals and cancellations, changes in political, economic and environmental conditions, the cyclical nature of commodity prices and the demand for customers' goods and services. These markets are competitive by nature. Increased levels of competition and competitors' particular strategic objectives may result in the Group unsuccessfully tendering for projects.

In response to these risks, Monadelphous has an established markets and growth strategy ensuring a diverse offering of services and exposure across multiple markets. The limits of strategic risk the Group is willing to accept are defined within the strategy which is approved by the Board. The Group regularly reviews its market position and competitive advantage, as well as that of competitors, to ensure that it is well placed to secure opportunities as they arise. It undertakes a comprehensive opportunity identification and selection process when tendering for projects. The Group also has comprehensive crisis management and business continuity plans in place to assist with recovery from potential risk events which may significantly impact critical business processes, reputation and revenue streams.

Contract pricing

The Group undertakes a variety of fixed price lump sum, schedule of unit rates or cost-plus contracts, or a combination thereof. If Monadelphous underestimates the cost to complete a project, or applies an inadequate pricing strategy, there is a risk that the Group's financial performance may be negatively impacted. Inaccurate or inadequate pricing may result in reduced margin and financial liability.

To mitigate this, the Group is selective in the work that it tenders and undertakes a thorough review process for all tenders prior to submission. The Group has an established tender risk management system involving capable, experienced subject matter experts, historical data and productivity metrics and appropriate authority and approval levels, to ensure effective identification and assessment of risk at the tender stage. The Group also includes appropriate clauses in its contracts to address pricing fluctuations.

Contractual risk

The Group is typically contracted under customer proposed terms and conditions, which can vary widely and expose it to the risk of financial loss.

The Group identifies and analyses contractual risk at the time of tender and employs suitably qualified and experienced personnel to undertake contractual negotiations in accordance with prescribed tolerance limits. Where contractual risk cannot be avoided through negotiations, appropriate mitigating controls and treatment strategies are employed at an operational level to minimise risk exposure.

Operational execution

Monadelphous is involved in planning, developing, constructing and executing a range of projects and contracts with varying degrees of difficulty. If projects and contracts are not executed effectively, there is a risk of financial and/or reputational damage to the Group. Key risks include poor financial performance, schedule slippage, inadequate contract administration and poor execution quality. Supply chain disruptions may result in protracted lead times, delays and increased costs.

Monadelphous maintains a robust project management system which effectively manages projects from inception to completion. The Group employs suitably qualified, experienced and capable employees for the work that it undertakes and ensures employees are familiar with the Group's execution methodologies and provides them with the necessary resources to effectively and efficiently execute their responsibilities.

Relationships are maintained with key suppliers to ensure potential supply impacts are understood and can be planned around during execution. Projects and contracts are reviewed on an ongoing basis by general and executive management, as well as the Board, with independent performance reviews undertaken by divisional and Group assurance teams. Monadelphous operates management systems certified to ISO 9001 Quality Management Systems.

Liquidity

In the normal course of business, the Group is exposed to liquidity risks. Customers may extend payment terms beyond those contractually agreed and contractual variations or claims may take extended periods of time to resolve. In addition, certain contracts require the Group to provide bank guarantees or performance bonds.

To ensure the Group maintains an effective and appropriate level of working capital, the Group regularly reviews cash flow forecasts including project cash flows, closely monitors cash collections and payment obligations and undertakes appropriate credit verification procedures on customers. The Group also regularly reviews its facility levels and compliance with banking covenants.

Acquisitions and joint ventures

To support its growth strategy, the Group may enter new markets and gain access to new customers via acquisitions and joint ventures. This may expose the Group to the risk of financial loss due to over valuation, underperformance of the acquired business or joint venture, or inadequate or poorly executed integration.

The Group mitigates these risks by undertaking thorough due diligence and integration planning prior to executing agreements. This due diligence and planning covers, amongst other areas, valuation, financial stability and liabilities, alignment with strategic objectives, and complementary organisational values and culture.

Foreign exchange

The Group operates in, and sources supplies from, a number of foreign jurisdictions and as a result, is exposed to the risk of financial loss from fluctuating foreign exchange rates.

The Group adopts practices in accordance with its Foreign Exchange Risk Management Policy to effectively mitigate and manage exposures to foreign currency fluctuations. This includes avoiding foreign exchange risk in contracts where possible, minimising the amount of excess foreign currency in foreign jurisdictions and hedging exposures using forward contracts.

Innovation and technology

The application of innovative solutions, including the use of technology in the provision of construction and maintenance services and administrative functions, can deliver improvements in productivity, quality, sustainability, safety and environmental performance, and enable growth in new markets. The failure to identify and act decisively on threats or opportunities presented by innovation and new technologies can have a negative impact on the business in terms of reduced competitiveness, attractiveness as an employer and reputation among customers and industry more broadly.

The Group drives innovation across the business by leveraging ideas from employees and industry, systematically implementing improvements and strategically monitoring the external landscape and actions of customers and competitors with respect to innovation, initiatives and technology adoption. Successfully implemented ideas are communicated across the business to drive replication and standardisation where it makes good business sense.

Cyber security and information technology (IT) business continuity

The Group uses information technology in the conduct of its business and recognises the importance of protecting its systems and safeguarding sensitive data. The ever-increasing sophistication and frequency of cyber-attacks, such as phishing and ransomware and other malicious hacking activities, heightens the risk of business disruption, financial loss, legal implications and reputational damage should sensitive data be unlawfully accessed or lost. The Group may also encounter significant business disruption resulting in financial loss or reputational damage should there be a failure of critical IT systems.

Monadelphous invests in systems, equipment, training and resources to mitigate the risks associated with maintaining the confidentiality, integrity and availability of its systems, IT equipment and data. Additionally, the Group ensures its systems are appropriately maintained and supported to meet agreed performance expectations and that contingency plans exist and are tested regularly to minimise downtime and data loss in the event of a system fault or failure.

Compliance with laws and regulations

The Group is subject to a range of legal and regulatory requirements in the jurisdictions in which it operates. Non-compliance with relevant laws and regulations may result in criminal prosecution, significant penalties or reputational damage, and can adversely impact the Group's ability to operate.

The Group manages its compliance with legal and regulatory requirements through the implementation of appropriate systems and controls, employing suitably qualified subject matter experts and engaging region-specific advisors where required. The Group also monitors changes in laws and regulations and updates its systems and controls as necessary to ensure ongoing compliance. If a non-compliance is identified, it is notified to the appropriate level of management or the Board for remediation.

Social sustainability risks

Employee retention, attraction and development

As a services business, Monadelphous' people are its greatest asset. The failure to retain, attract and develop highly competent people who live the Group's values may impact its ability to achieve its strategic vision and deliver value for stakeholders, resulting in financial loss and reputational damage.

The Group focuses on attracting people who desire to have a long-term career at Monadelphous, whose experience demonstrates proven capability and whose behaviours exhibit cultural alignment. Targeted sourcing strategies and resource planning ensure the Group can recruit and mobilise the right people at the right time. A strong focus is placed on developing employee skills and leadership capability to enable the achievement of the Group's strategic objectives, whilst providing challenging and rewarding opportunities which facilitate career progression and retention. Monadelphous aims to retain all those who are aligned to its culture and contribute to its long-term success.

Harm to people (safety and wellbeing)

Monadelphous is subject to work health and safety regulations and there is a high degree of operational risk inherent in the industries in which it operates, along with psychosocial hazards. Failure to address these risks may result in wellbeing impacts, injury or loss of life to its people and those people it manages and interacts with.

The Group operates under its safety directive *The Safe Way is the Only Way*, with a goal of zero harm and a commitment to ensuring people are treated with dignity and respect. It has a robust, effective and mature safety management system and is committed to monitoring and improving safety performance, ensuring the provision of safe work practices and providing training and initiatives that ensure the safety and wellbeing of its employees. Monadelphous is certified to ISO 45001 Occupational Health and Safety Management Systems.

Industrial relations

A large proportion of Monadelphous' workforce operates under collective industrial agreements. Monadelphous may be exposed to the risk of employee and industrial unrest associated with the management of these arrangements along with associated employee related matters, which have the potential to impact operational continuity and damage the reputation of the Group.

The Group mitigates this risk by ensuring processes are in place to proactively consider the appropriateness of these arrangements, effectively engage with employees, address grievances and comply with workplace laws. The Group also consults regularly with unions to understand and address any concerns in a cooperative manner.

Environmental sustainability risks

Harm to the environment

Environmental risk is the actual or potential threat of harm to living organisms and the environment by effluents, emissions, waste and resource depletion, arising out of the Group's activities. The Group's reputation may be tarnished as a result of environmental damage from its activities, impacting its ability to retain and attract employees, retain and secure future work opportunities, and affecting shareholder value.

Monadelphous conducts work in environmentally sensitive areas, has a responsibility to protect the local ecosystems when delivering projects, and aims to leave a lasting positive legacy at every stage in the lifecycle of its operational activities. It is committed to environmental sustainability through the diligent management of its activities, including the identification of risks to the natural and built environment and the implementation of strategies and actions to mitigate or reduce its impact.

Monadelphous works together with its customers to identify specific environmental risks and determines how these can be managed, including biodiversity, climate change, flora and fauna, dust and emissions, heritage, soils, water and waste. Ensuring compliance with customer requirements and environmental legislation and regulation is also critical to maintaining its strong reputation as a contractor of choice. To support this, the Group applies an environmental management system that is certified to ISO 14001 Environmental Management Systems.

Climate risk

Climate risk is the risk that climate change poses to the Group's strategy and business model. If the Group does not remain agile in adapting to the changing climate and associated market conditions, it may be exposed to financial and reputational loss.

The move towards a low-carbon economy will continue to influence change in a number of industries within which Monadelphous operates. The Group's markets and growth strategy provides the flexibility for the Group to diversify into new markets, creating opportunities and mitigating the risk of market changes. Monadelphous remains committed to the ongoing monitoring of its environmental risk profile, taking into consideration the impacts of climate change on its business and strategy, and adapting to customer and market shifts.

This report represents a complete set of climate-related disclosures for Monadelphous Group Limited and its subsidiaries (collectively, "the Group") for the year ended 30 June 2026. The Group's climate-related disclosures have been prepared in accordance with the *Corporations Act 2001* and *AASB S2 Climate-related Disclosures* (AASB S2), which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB).

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

- Not to disclose comparative information in this report; and
- Not to disclose Scope 3 greenhouse gas (GHG) emissions.

This report has been prepared for the same consolidated reporting entity and reporting period as the Group's Consolidated Financial Statements (please refer to "Basis of consolidation" in the Notes to the Consolidated Financial Statements) and has incorporated climate-related information of the parent company and all of its subsidiaries.

This report contains forward-looking statements and forward-looking climate-related information prepared in accordance with AASB S2. These statements are based on assumptions that are subject to risks, uncertainties and factors which may be outside the control of Monadelphous. Whilst due care and attention has been taken in preparing the assumptions underlying any forward-looking statements in this report, actual results, performance, outcomes or conditions may differ materially from those expressed or implied. Forward-looking information, including scenario analysis, transition and physical risk assessments, and projected emissions trajectories, is based on information available at the date of publication and reflects assumptions considered reasonable at that time. The information is current only as at the date of this report and Monadelphous does not undertake to update this report to reflect new information, except as required by law.

In the assessment of climate-related risks and opportunities, the upstream and downstream value chain was considered using all reasonable and supportable information available without undue cost or effort for a comprehensive understanding of the climate-related risks and opportunities. The Group exercised judgement in assessing impacts and dependencies across the value chain that could reasonably be expected to affect its strategy, business model or financial position. These judgements were informed by assessment in line with the Task Force on Climate-related Financial Disclosures (TCFD), external views and publications on industry-relevant risks and opportunities, as well as the scenario analysis undertaken by the Group.

The Group utilised data collated from across its value chain in order to disclose quantitative metrics and financial effects, where possible. In instances when quantitative metrics and amounts cannot be measured directly, the Group estimates value chain metrics using internal and external information (including industry benchmarks and other proxies) that are available. The estimation of anticipated financial effects is influenced by the assumptions and scenarios underpinning risk models. The Group is committed to continuously improving the reasonability and accuracy of these assumptions and metrics. It is investing in improving data collection and reporting systems and engaging with customers and suppliers to obtain more precise data. Additionally, the Group continues to enhance its processes to better capture the potential impacts of climate change on its business, with the aim of providing more accurate estimations of anticipated financial effects in future sustainability reports.

For the purposes of this report, the Group has considered information to be material for disclosure if the Group reasonably expects that primary users of this report would expect its disclosure, or where omitting, misstating or obscuring the information could reasonably be expected to influence decisions that primary users of the Group's general purpose financial reports make on the basis of this report.

Greenhouse gas emission calculations are subject to inherent uncertainty due to the inclusion of estimates, use of industry average emission factors and proxies in lieu of direct measurement. Every attempt has been made to reduce uncertainty in calculations undertaken using reliable data sources and endorsed emission factors.

This report was authorised for issue in accordance with a resolution of the directors on 24 August 2026.

1. GOVERNANCE

Monadelphous is an Australian engineering group headquartered in Perth, Western Australia, providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors.

The Group has two operating divisions working predominately in Australia, with overseas operations and offices in China, Mongolia, Papua New Guinea, Vietnam and the Philippines.

The Engineering Construction division provides large-scale, multidisciplinary and vertically integrated project management and construction services. These include earthworks, structural concrete and inground services, fabrication, modularisation, structural, mechanical, piping, heavy lift, electrical and instrumentation, commissioning, demolition, design and construction of non-process infrastructure, high-voltage electrical construction, and balance-of-plant design and construction of renewable energy developments.

The Maintenance and Industrial Services division specialises in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, sustaining capital works, fixed plant maintenance services, access solutions, specialist coatings, rail maintenance and high-voltage electrical maintenance services.

1.1 Board and Committee responsibilities

The Board has ultimate responsibility for overseeing the Group's climate-related risks and opportunities. Whilst at all times the Board retains full responsibility for guiding and monitoring the Group, in discharging its stewardship it makes use of specialist Board committees, which can focus on a particular responsibility and provide informed feedback to the Board.

The responsibilities of the Board and its Board Committees are reflected in the respective charters which are reviewed annually and are outlined below. Climate-related matters are considered by the Board and Committees in performing each of these responsibilities.

The Board was informed about climate-related risks and opportunities 10 times during the financial year.

<u>Board</u>
The Board sets the strategic direction of the Group and is responsible for creating and maintaining the environment and structures within which risk management practices can operate effectively. The Board also sets the Group's appetite for risk taking and risk tolerance. The Board continually monitors senior management's performance and the implementation of strategy, contributes to and approves the Group's performance objectives and annual budget, and oversees the Group's performance against financial and other objectives.

Climate-related activities undertaken by the Board during the year ended 30 June 2026 included:
- Reviewed and approved the Group's climate-related risks and opportunities and scenario analysis as part of the Group's strategic planning process;
- Reviewed business performance and the progress of strategic initiatives (including in addressing climate-related risks and opportunities) at monthly Board meetings;
- Participated in dedicated climate change and climate reporting information sessions;
- Annual review of environmental performance and emissions data and progress against the Group's Net Zero strategy;
- Reviewed and approved the corporate governance and climate-related disclosures included in the Group's external reporting;
- Considered climate-related risks and opportunities associated with acquisitions;
- Reviewed and approved the methodology for Scope 3 emissions reporting.

Audit Committee

The Audit Committee assesses the effectiveness of the Group's risk management policies, procedures and internal controls in identifying business and financial risks (including contemporary and emerging risks) and controlling their impact, and ensuring that the Group is operating with due regard to the risk appetite set by the Board.

Climate-related activities undertaken by the Audit Committee during the year ended 30 June 2026 included:
- Annual assessment of the effectiveness of the Group's risk management framework (climate risk is managed within the Group's risk management framework);
- Reviewed the bi-annual assessment of the Group's performance against the risk appetite set by the Board (climate risk is considered in this assessment);
- Formally reviewed the progress of strategic initiatives in addressing climate-related risks and opportunities twice during the year;
- Reviewed and recommended to the Board for approval the Group's corporate governance and climate-related disclosures included in its external reporting.

Remuneration Committee

The Remuneration Committee assists the Board by ensuring remuneration policies are aligned with the Group's purpose, values, strategic objectives and risk appetite. It oversees the measures set and the achievement of outcomes against the measures as they pertain to executive remuneration, which includes climate-related strategic initiatives.

Climate-related activities undertaken by the Remuneration Committee during the year ended 30 June 2026 included:
- Reviewed and agreed the key performance areas to be applied to the Combined Reward Plan for the year ended 30 June 2026;
- Reviewed the progress of strategic initiatives (including climate-related initiatives) throughout the year considered in determining awards under the Combined Reward Plan;
- Reviewed the disclosure pertaining to the Group's remuneration policies and practices within the Remuneration Report.

Nomination Committee

The Nomination Committee regularly reviews (at least annually) the qualifications, skills, competencies, experience, independence and diversity represented on the Board (in conjunction with the board skills matrix – refer to section 1.2), including in relation to knowledge and familiarity with the Group and its operating environment, to ensure it collectively has the skills to understand and deal with existing and emerging issues, to discharge its duties effectively and efficiently, and to add value. The Nomination Committee also assists the Board with reviewing and making recommendations in relation to Board succession planning.

During the year ended 30 June 2026, the Nomination Committee:

- Reviewed the composition of the Board and approved the Group's Board Skills Matrix and confirmed that the Board and its Committees possess the required skills and competencies to assist the Group in managing risk and achieving its objectives, including those pertaining to climate-related risks and opportunities (refer to section 1.2 for further details).

1.2 Climate-related skills and experience

The skills and experience required of the Board and its Committees is detailed in the Monadelphous Board Skills Matrix.

The objective of the skills matrix is to align the skills and experience on the Board with the Group's strategic objectives. As noted above, the Nomination Committee assists the Board with the regular review of its skills matrix (at least annually), taking into consideration the qualifications, skills, competencies, experience, independence and diversity represented on the Board and its Committees, to ensure that it possesses the required skills to achieve its strategic objectives and address existing and emerging business and governance issues. Experience in environmental, including climate, risk and opportunity management, environmental responsibility and reporting frameworks, is a required area of skill and experience outlined in the skills matrix.

Each director undertakes a self-assessment of their skills and experience against these requirements, applying a rating of strong, moderate or limited experience.

Where gaps are identified, the Nomination Committee is responsible for identifying whether training or development is required or recommending changes to the Board in relation to its structure, size and operation.

The Board has significant experience in the oversight of strategy in responding to risks and opportunities. Many of the skills outlined in the matrix are critical for the oversight of strategies to respond to climate-related risks and opportunities. The Board considers that collectively it possesses the skills, commitment, knowledge and experience of the Group and the industries in which it operates, to enable it to effectively understand and deal with current and emerging issues including climate-related risks and opportunities, to discharge its duties effectively and efficiently, and to add value.

During the year, the Board and executive management (including the Managing Director and Chief Financial Officer) received a briefing from an external climate expert covering climate science fundamentals, climate-risks and opportunities, climate governance and director duties, and received regular updates from the Group's auditors in the lead up to mandatory climate reporting in Australia.

The Board Skills Matrix is available within the Group's Corporate Governance Statement under Structure of the Board, Board Skills and Experience. The Corporate Governance Statement is located in the Corporate Governance section of the Group's website at www.monadelphous.com.au/about-us/corporate-governance/. Director qualifications, experience and special responsibilities are detailed in the Directors section of the Directors' Report.

1.3 Management responsibilities

In accordance with the Board Charter, management is responsible for implementing the strategic objectives of the Group, instilling and reinforcing Group values whilst operating within the board-approved risk appetite, designing and implementing the Group's risk management framework, and providing accurate, timely and clear information on the Group's operations and performance to enable the Board to perform its responsibilities. Climate-related matters are considered throughout these processes.

The Board continually monitors senior management's performance and the implementation of strategy and oversees the Group's performance against financial and other objectives.

The Managing Director is supported by executive and other management in the performance of these duties in relation to climate-related matters, as outlined below.

Managing Director – The Managing Director is responsible for climate-related matters at the highest level and ensuring climate-related matters are embedded into the Group's values, long-term strategy, risk management framework, processes and procedures, as appropriate.

Chief Financial Officer – The Chief Financial Officer is responsible for incorporating climate-related matters into financial practices and financial reporting including climate-related disclosures. The Chief Financial Officer is also responsible for identifying, assessing and managing risk across the Group, and for the integration of climate risk into the overall risk management framework. The Finance and Group Risk functions report to the Chief Financial Officer and support the Chief Financial Officer in executing these responsibilities.

General Manager Growth and Strategy – The General Manager Growth and Strategy is responsible for ensuring climate-related risks and opportunities are appropriately incorporated and considered in the Group's strategy and aiding the business (operational and corporate teams) in the development of strategic initiatives, monitoring market trends and shifts and identifying strategic opportunities through business acquisition, partnership or joint venture.

General Manager Human Resources – The Group Communication and Engagement function reports to the General Manager Human Resources and is responsible for the communication with and engagement of internal and external stakeholders in matters relating to diversity, community investment and environmental initiatives and programs at Monadelphous.

Executive General Managers – The Executive General Managers of the Engineering Construction and Maintenance and Industrial Services divisions are responsible for ensuring alignment of divisional strategies with Group strategy with appropriate consideration of climate-related risks and opportunities, and the effective development and execution of divisional strategic initiatives.

Group Manager Health, Safety and Environment (HSE) – The Group Manager HSE is the chief advisor to the Managing Director on HSE matters and is responsible for the management of the Group HSE function. Responsibilities include facilitating the development of HSE strategy, overseeing the HSE governance framework and monitoring and reporting HSE performance, including greenhouse gas emissions.

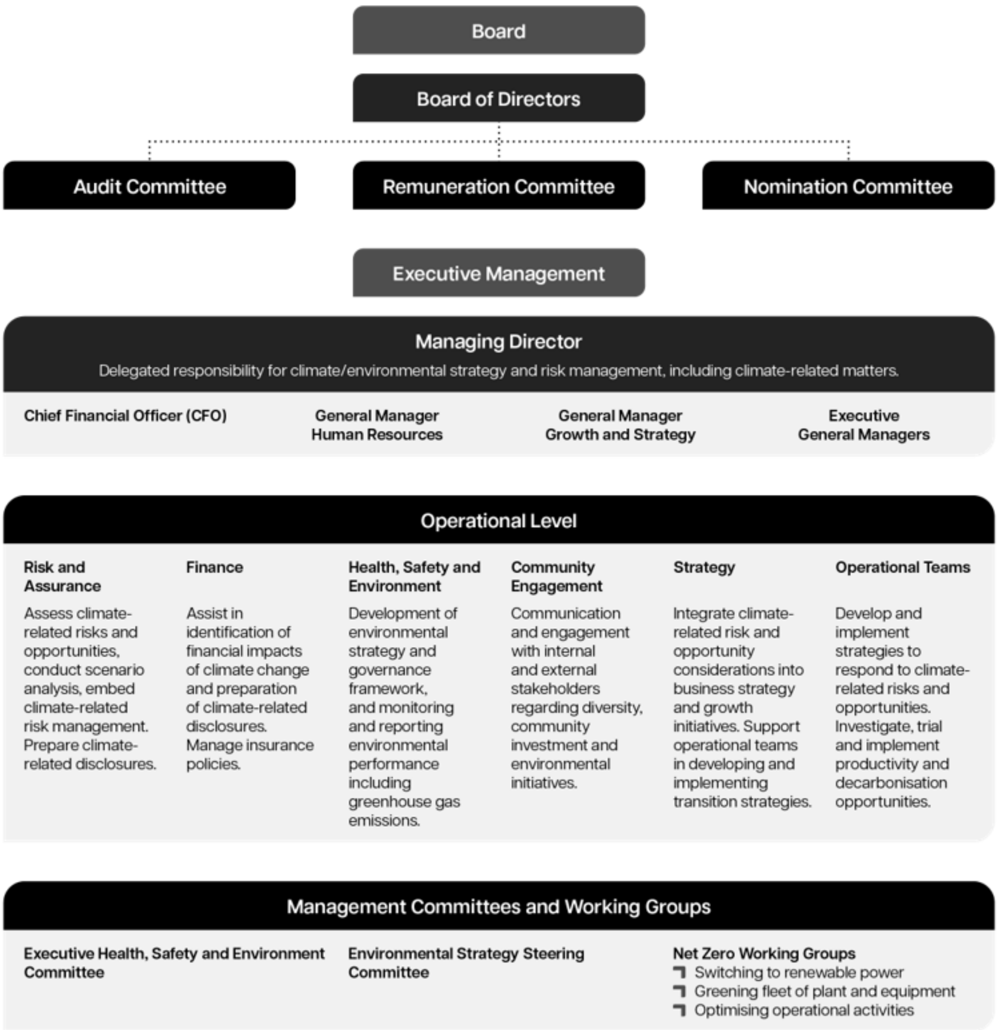
Executive HSE Committee – The Executive HSE Committee is responsible for providing leadership, governance and direction on the Group's management of health, safety and the environment, to ensure the safety and wellbeing of its people and to minimise the impact of its operations on the environment. This includes endorsing and monitoring the implementation of the environmental strategy which includes the Group's goal of Net Zero emissions by 2050 and its Energy and Emissions Reduction Roadmap, setting objectives and targets to continually drive HSE performance towards zero harm and monitoring the progress of strategic initiatives. The Executive HSE Committee is chaired by the Managing Director and its members include the Group Manager HSE and executive management.

Environmental Strategy Steering Committee – The Environmental Strategy Steering Committee is responsible for providing direction and governance on the execution of the Group's environmental strategic plan and decarbonisation journey. The Committee comprises key stakeholders representing areas of the business critical to the delivery of the strategy, external stakeholder facing business areas and environmental subject matter experts responsible for supporting delivery of the strategy. The Committee is chaired by the Group Manager HSE and comprises representatives from the Group's operating divisions, HSE, Risk, Business Services and Communications and Engagement teams.

Net Zero Working Groups – A number of working groups report to the Environmental Strategy Steering Committee and are responsible for the implementation of initiatives in line with the Group's environmental strategy. In addition to working groups in the Engineering Construction and Maintenance and Industrial Services divisions, focused working groups are charged with transitioning the Group's facilities and operations to renewable power, greening the Group's fleet of plant and equipment and reducing carbon emissions through the optimisation of operational activities.

The organisation chart below illustrates the Group's climate governance structure and highlights the relationship between its Board, executive management and functional teams.

Monadelphous Climate Governance Structure



Management training and updates

Executive and general management have received formal climate training and regular updates on topics such as climate-related risks and opportunities, scenario analysis, reporting and greenhouse gas emissions. External experts are engaged as required, including to update the business on climate-related matters and in the development of climate-related methodologies or procedures.

1.4 How climate-related risks and opportunities are monitored, managed and overseen

On an annual basis, Monadelphous undertakes an assessment of its climate-related risks and opportunities (refer to Risk Management section 3 below).

The Board reviews the climate risk and opportunity assessment as part of the Group's annual strategic planning process and considers the impact of climate-related risks and opportunities on the Group's operations and strategy. The Board provides strategic guidance to management to aid in the development of the Group's strategy for future years, including direction around target markets (with specific guidance for energy transition markets) or markets to divest from. Applying the Board's guidance, it is the responsibility of management to develop the strategy for approval by the Board, including the identification of key strategic initiatives required to achieve the Group's strategic objectives.

Strategic initiatives to address climate-related risks and opportunities are allocated to the appropriate management personnel depending on the nature of the initiative. The progress of initiatives is reported to the Board via monthly Board reporting, with specific strategic and risk management updates provided to the Board and Audit Committee on a quarterly basis.

In accordance with its charter, the Audit Committee reviews the Group's risk management framework and risk appetite (of which climate risk forms a part) annually to ensure the effective integration of risk management in the Group's day-to-day decision making.

The Board and Audit Committee received regular updates by management and the Group's external auditors on the Australian climate reporting requirements. Management also provided status updates on actions undertaken by the Group to enhance existing processes. The Group continues to improve and evolve its processes to ensure the consideration of climate and environmental risk in strategic and day-to-day decision making.

The Board oversees the Group's environmental strategy and the achievement of its goal of Net Zero emissions by 2050. Monadelphous' Emissions and Energy Reduction Roadmap (Roadmap) outlines a series of interim targets towards achieving this goal. Targets are reviewed annually by the Executive HSE Committee and the Board. Refer to sections 4.4 and 4.4.1 for further detail.

The Environmental Strategy Steering Committee is charged with overseeing the delivery of actions in line with the Roadmap. These initiatives are being actioned by Net Zero working groups from across the business focused on transitioning the Group's facilities and operations to renewable energy sources, greening the Group's fleet of plant and equipment and reducing carbon emissions through optimisation of operational activities.

The progress of these initiatives is reported to the Board on a quarterly basis. An annual HSE management review is also presented to the Board which includes detailed environmental performance and emissions data associated with the Group's Net Zero strategy.

A scenario analysis is performed annually and presented to the Board along with the climate risk and opportunity assessment during the strategic planning process to aid in the development of strategic guidance to management.

The climate risk and opportunity assessment incorporates the consideration of trade-offs between climate-related risks and opportunities and future financial performance. For example, market related transition risks associated with forecast reductions in the demand for fossil fuels are offset by increased investment in energy transition sectors, presenting an opportunity for the Group.

The Group considers its markets and growth strategy related to the energy transition when considering significant investment or acquisition opportunities. Climate considerations are also incorporated into the Group's acquisition target due diligence and integration process, considering the location of offices or workshop facilities (physical risk), exposure to markets potentially impacted by the energy transition and the extent of the acquisition target's emissions (impacting the Group's reporting and Net Zero emissions goal) where available or material. The Board is the approving authority for all acquisitions and significant investments, in accordance with the Group's Process Authorities.

1.5 Controls and procedures used by management to support oversight of climate matters

Management's oversight of the Group's climate-related risks and opportunities is supported by the use of controls and procedures relating to the identification of climate-related risks and opportunities and the monitoring of performance in managing those risks. These controls form part of the Group's risk management processes and are integrated throughout various business functions. Examples include monitoring market movements and customer activities to capitalise on energy transition opportunities, the inclusion of climate considerations in contractual terms and conditions, the insurance renewal process and future location planning and lease or buy decisions, as well as in processes outlined in various sections of this report including section 1.4 relating to the identification, monitoring and management of climate-related risks and opportunities. The Group continues to improve and evolve its processes to ensure the consideration of climate and environmental risk in all applicable areas of the business.

Executive management plays a key role in implementing and monitoring the effectiveness of governance processes, controls and procedures, overseeing all key activities conducted in the business including climate risk and opportunity assessment, setting climate-related targets and strategies and tracking progress of initiatives against strategies. Management has the day-to-day responsibility for the implementation of governance frameworks and controls to support compliance and stakeholder communications.

1.6 Remuneration systems

The Board is responsible for satisfying itself that the Group's remuneration policies are aligned with the Group's purpose, values, strategic objectives and risk appetite. The Board has an established Remuneration Committee which is responsible for making recommendations to the Board on Group policy and strategy in relation to appropriate remuneration arrangements for executives and employees.

The Group seeks to retain a high-quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to the relevant employment market. To assist in achieving this objective, the Remuneration Committee links the nature and amount of executive directors' and officers' remuneration to the Group's financial and operational performance.

The Board exercises its discretion in relation to the issuing of awards and incentives under the Group's short and long-term incentive plans (Combined Reward Plan and Long-Term Senior Leadership Performance Reward Plan), having regard to the overall performance of Monadelphous, the performance of the individual and the prevailing employment market.

Strategic progress is one of the 'other key performance areas' considered alongside earnings performance in determining awards under the Group's short-term incentive Combined Reward Plan. This is outlined in section 5.3 of the Remuneration Report. The progress of climate-related strategic initiatives is considered alongside other strategic initiatives during this process, therefore it is not possible to quantify the percentage of executive management remuneration recognised in the current period that is linked specifically to climate-related considerations. The strategic progress key performance area is weighted evenly with the other key performance areas (i.e. 20 per cent weighting).

The progress and effective delivery of climate-related strategic initiatives is also considered when assessing an executive's performance and determining the extent of fixed remuneration increases.

The Group does not currently use climate-related metrics to determine the vesting of long-term incentive plans (Long-Term Senior Leadership Performance Reward Plan), which is based on the achievement of an earnings per share growth hurdle and continued employment. However, the overall progress against strategic initiatives is a consideration when determining the award thereof.

As Monadelphous continues to progress the initiatives associated with its goal of Net Zero by 2050, the Group will consider the appropriateness of incorporating other climate-related metrics into executive remuneration arrangements.

2. STRATEGY

2.1 Business strategy

Monadelphous recognises that climate change and the energy transition are driving significant investment across a range of activities and industry sectors. Additionally, the Group has a goal of minimising the environmental impact of its operations and working towards Net Zero emissions by 2050 through innovation and stakeholder collaboration, supporting its customers' commitments to decarbonisation, and pursing opportunities to support a positive legacy.

Monadelphous is well placed to contribute to and capitalise on these opportunities.

Through its annual climate risk and opportunity assessment, the Group considers the climate-related risks and opportunities expected to affect its prospects and assesses the potential effects on the business.

The following time horizons are considered in the assessment:

Short-term – 5 years to 2031
Medium-term – 15 years to 2041
Long-term – 25 years to 2051

These time horizons were selected to align with the horizons applied to the Group's strategic planning process. The short-term time horizon is linked to the Group's five-year growth plan, with the medium and long-term time horizons considering the long term growth prospects of the sectors attractive to the Group, the anticipated progression of the Group's climate-related strategic initiatives in line with its goal of Net Zero emissions by 2050 and the anticipated long-term impacts of climate change.

For the purposes of strategic planning, the Group has used the Intergovernmental Panel on Climate Change Sixth Assessment Report (IPCC) Shared Socioeconomic Pathways (SSP) 'middle of the road' scenario (SSP2-4.5), as being the most likely climate change scenario based on current global policies and economic trends and it implies a global average temperature increase of approximately 2.7°C by 2100.

This scenario describes a world that follows a path in which social, economic and technological trends do not shift markedly from historical patterns. Development and income growth proceeds unevenly, with some countries making relatively good progress while others fall short of general expectations. Global and national institutions work toward but make slow progress in achieving sustainable development goals. Environmental ecosystems experience degradation, although there are some improvements, and overall the intensity of resource and energy use declines. Global population growth is moderate and levels off in the second half of the century. Income inequality persists or improves slowly and challenges to reducing vulnerability to societal and environmental changes remain.

To aid the strategic planning process, scenario analysis is also performed on the Group's climate-related risks and opportunities under two alternate climate change scenarios to test the resilience of the Group's strategy and identify further action that may be required should such scenarios become more likely. Refer to section 2.5 for further details.

2.2 Climate-related risks and opportunities and their impact on the business

The transition towards a Net Zero emissions economy is and will continue to influence Monadelphous' business. The Group remains committed to the ongoing monitoring of its environmental risk profile, taking into consideration the impacts of climate change on its business and strategy, maintaining an ability to adapt to customer and market shifts, and developing innovative solutions to reduce emission and energy consumption within its operations and those of its customers.

Monadelphous is exposed to both transition and physical climate risks, but climate change also presents a significant number of opportunities for the Group through ongoing growth in existing markets, as well as through new and emerging markets related to the energy transition.

At its core, Monadelphous is primarily a people business, providing expertise, labour and equipment to build, maintain and improve its customers' operations in the resources, energy and infrastructure sectors. The Group uses a centralised pool of engineering resources and shared services in its delivery model. The services provided allow for the effective migration of employees and equipment between operating divisions, customers and markets, with the flexibility to pivot as customer strategies adapt to changes in commodity markets or as markets evolve. This has always been the case and will continue to serve the Group well in the move towards a decarbonised economy.

An overview of the Group's climate risk and opportunity assessment is presented below, including the current and anticipated effects on its strategy and business model, the approach taken to mitigate or manage the impacts, and the current and anticipated financial effects over the short, medium and long-term.

Risks and opportunities are predominantly concentrated around the anticipated changing revenue streams over time as industry shifts from the extraction and processing of fossil fuels to renewable energy sources, along with the physical effects of climate change on the areas of the business operating in extreme or harsh weather environments.

Note, opportunities relating to Zenviron, the Group's renewable energy joint venture, have been included in the table below as Zenviron forms part of the Group's value chain but is not part of the consolidated reporting entity.

In identifying climate-related risks and opportunities that could reasonably be expected to affect the Group, Monadelphous has used all reasonable and supportable information that is available to it at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future conditions.

There is a high degree of uncertainty in the level of and time horizons for action the world will take to reduce greenhouse gas emissions. This affects predictions of warming levels, timing and climate events. There is also an almost infinite number of pathways for reducing greenhouse gas emissions as geographies around the world are unlikely to act to the same extent and in similar timeframes, whilst industry sectors will also take different trajectories to Net Zero.

The Group has utilised publicly available information to aid in its climate risk and opportunity assessment with sources including but not limited to the latest Intergovernmental Panel on Climate Change Sixth Assessment Report (IPCC), Australia's National Climate Risk Assessment 2025, Australian Climate Council's Climate Risk Map, Oxford Economics Australia forecasts (Mining in Australia Report May 2026 and Engineering Construction in Australia Report August 2026), customer and peer reporting, and other industry and market materials, along with input from internal stakeholders.

<table>
<tr><th>Risk (Risk Type), Time Horizon and Risk Status</th><th>Risk Description, Current and Anticipated Business Impact and Concentration</th><th>Risk Mitigation and Management</th><th>Current (2026) Financial Effects</th><th>Significant Risk of Material Adjustment in 2027</th><th>Anticipated Financial Effects over Short, Medium and Long-Term</th></tr>
<tr><td>Changing customer behaviour (Transition Risk – Market)

Time Horizon – Coal Sector – Short to medium

Time Horizon – Oil and Gas Sector – Long and beyond

Risk Status – Increasing</td><td>Risk Description
The global shift towards a low carbon economy is expected to reduce the demand for fossil fuels.

Current and Anticipated Business Impact and Concentration
As Monadelphous provides services to customers producing fossil fuels, with coal and oil and gas sectors the most likely to be affected by the energy transition, the Group will be susceptible to reduced demand and revenue as customers transition towards alternate low-emission products (based on global demand shifts).

Reduced demand and associated revenue are expected for both new construction projects, as well as ongoing maintenance opportunities in coal and oil and gas.</td><td>While the Group continues to pursue available opportunities in the coal and oil and gas sectors, it continues to monitor industry and customer forecasts for shifting demand away from fossil fuels, working closely with customers. The Group will adjust its strategy accordingly to transition away from these sectors when the opportunities become limited or no longer deliver quality sustainable earnings.

Monadelphous’ current markets and growth strategy identifies the key areas of opportunity which it plans to pursue in energy transition sectors. The Group is already actively involved in delivering work across critical minerals, renewable energy generation and storage, and the electrification of customers’ operations, and its acquisition of Australian Power Industry Partners (APIP) during the year (refer to Note 21 in the Notes to the Consolidated Financial Statements for further information on the acquisition) expands its capability and supports its positioning in the electrical infrastructure transmission and distribution sector. The Group will continue to pursue opportunities to capitalise on the growth in the energy transition sector.

The core capabilities of the Group’s resources and its assets used in the coal and oil and gas sectors are largely transferrable to energy transition sectors.

The Group considers its climate risk and opportunity assessment and climate change scenario analysis in its strategic planning process, to identify further potential impacts on its business resilience and will implement adjustments to its strategy and business model as required.</td><td>No material impact in 2026.</td><td>No.</td><td>In relation to the coal sector, Oxford Economics forecast a reduction in new fixed asset construction by an average of 10 per cent per annum in the short-term (to 2032). A 64 per cent reduction is forecast for the five-year period from 2035 to 2039 compared to the period 2025 to 2029. Monadelphous assumes this reduction will continue in the long-term.
This reduction is not expected to materially impact Monadelphous due to limited coal construction revenue currently, other than a reduction in future prospects in coal construction. Oxford Economics forecast an average of 2 per cent reduction in coal maintenance services revenue per annum in the medium-term (to 2040 when the forecast ends), in other words a 27 per cent reduction compared to current levels. Maintenance activities in the coal sector currently contribute approximately 5 per cent to Group revenue. Monadelphous assumes further reductions are expected in the long-term.

In relation to the oil and gas sector, the impact from anticipated changes is expected to be more significant due to the Group’s current exposure to the sector (37 per cent of Group revenue), however the timing of the impact is forecast to be beyond the time horizons in this climate risk and opportunity assessment. Oxford Economics forecast oil and gas sector construction and maintenance levels to remain at 2028 levels or higher out to 2040. In the long-term, Monadelphous assumes continued demand on a similar basis, which is supported by key customer forecasts which indicate ongoing production well beyond the time horizons applied in this assessment, however it is anticipated there will be industry contraction at some stage in the future.

In relation to the above forecasts, Monadelphous assumes revenue from contracts with customers will contract or grow in line with Oxford Economics forecasts.</td></tr>
</table>

Risk (Risk Type), Time Horizon and Risk Status	Risk Description, Current and Anticipated Business Impact and Concentration	Risk Mitigation and Management	Current (2026) Financial Effects	Significant Risk of Material Adjustment in 2027	Anticipated Financial Effects over Short, Medium and Long-Term
Government climate policy and regulatory changes (Transition Risk – Policy and Legal) Time Horizon – Medium to long Risk Status – Increasing	**Risk Description** There is a risk that governments in the jurisdictions in which the Group operates may implement climate or emissions related policies or requirements. This could be in the form of carbon pricing, increased reporting requirements or other regulations. **Current and Anticipated Business Impact and Concentration** The Group may incur increased operating costs associated with offsetting carbon emissions. There is also a risk of increased operating costs associated with additional climate or emissions related reporting to governments, customers and shareholders.	The Group monitors proposed legislative and reporting changes in the jurisdictions in which it operates, enabling early action to address requirements. It also maintains strong relationships with stakeholders, including customers, to ensure a good understanding of current and future requirements to build these into its internal systems. The Group continues to progress actions under its environmental strategy to reduce its emissions in line with its goal of Net Zero emissions by 2050. Emissions accounting software has been implemented to enable better tracking. Ongoing monitoring of carbon offsetting programs will continue to inform the Group of the potential cost of offsetting future carbon emissions.	No material impact in 2026.	No.	The Group is not aware of any proposed legislative or reporting changes at the time of reporting and is therefore unable to provide quantification of any anticipated financial effects over the short, medium or long-term. However, by way of example, should there be additional reporting imposed, the Group may need to employ additional resources or alter internal systems. It is estimated that additional full-time resources may be required, along with external expert advice or support. It is assumed that this cost would not be material. The Group has recently implemented the Workiva Carbon greenhouse gas reporting system which would likely assist with any increased reporting requirements. Using the current cost of carbon in Australia per the Carbon Neutral offset program of around $40 per tonne, the cost of offsetting the Group's Scope 1 and 2 emissions for the current year would equate to an additional cost of approximately $310,000. If governments were to implement a carbon price system in the future, based on the Group's current Scope 1 and 2 absolute emissions and its target reduction of 20 to 40 per cent by 2030, the cost in the short term (by 2030 for this example) would be approximately $340,000 to $460,000 (assuming a carbon price of $70 per tonne). This assumes the Group has not implemented any further interim targets by 2030 which affects the delta of emissions to be offset. Again, assuming ongoing emission reductions in line with the Group's Net Zero by 2050 goal and applying an assumption that there will be a delta of hard to abate Scope 1 emissions requiring carbon offsetting of approximately 20 per cent, the cost in the long-term would be approximately $140,000. This assumes an increase in the cost of carbon to $120 per tonne. These costs would likely sit within administrative expenses and cost of services rendered and also impact cash flow from operations.

Risk (Risk Type), Time Horizon and Risk Status	Risk Description, Current and Anticipated Business Impact and Concentration	Risk Mitigation and Management	Current (2026) Financial Effects	Significant Risk of Material Adjustment in 2027	Anticipated Financial Effects over Short, Medium and Long-Term
Extreme weather events (Physical Risk – Acute) Time Horizon – Short to long Risk Status – Increasing	**Risk Description** Climate change brings an increased frequency and severity of extreme weather events such as cyclones, flood and bushfires. **Current and Anticipated Business Impact and Concentration** The Group operates in locations within Australia which have historically experienced extreme weather, including Western Australia's north-west which experiences frequent cyclone activity and intense heat, and Australia's east coast which is subject to flooding. Over the short to long-term this is expected to increase in frequency and severity. The Group has identified a number of its offices and facilities situated in locations with an elevated risk of flooding. The Group's leased head office in Victoria Park, Western Australia, and owned workshops in Mount Thorley, New South Wales, and Chinchilla, Queensland, have a low to medium risk of riverine flooding. One leased facility located in Kooragang, New South Wales, is considered to have a medium risk of riverine flooding. The Group's major leased office located in Milton (Brisbane), Queensland, has a very high risk of surface and riverine flooding. Adverse weather events have the potential to impact Group facilities, operations and projects, resulting in increased costs, disruption to operations or reduced operational activity and productivity, and an inability to deliver on contractual requirements. Disruptions may also occur as a result of damage to public infrastructure or energy networks, resulting in access or supply chain implications. Additionally, extreme weather events have the potential to impact the health and safety of the Group's workforce.	The Group analyses historical and recent inclement weather patterns and ensures implementation of appropriate mitigation strategies and provisions within contracts with customers for the impacts of adverse weather. This information is also considered in crisis management, business continuity planning and disaster recovery strategies. The Group also undertakes regular crisis management training across the business to prepare for potential adverse weather events. A climate risk assessment is undertaken for leased and owned facilities and climate risk is considered in future location planning and lease or buy decisions, as well as in the renewal of the Group's insurance policies.	No material impact in 2026.	No.	Flood risk could reduce future revenue and cash flows generated at Monadelphous' workshops and facilities located in flood risk areas. The financial effects are expected to be a consequence of: • Business interruption due to facilities and workshops being inaccessible or non-operational for a period of time during a flood and clean up phase. • Damage to buildings, inventory, plant and equipment. The maximum exposure in any one location would be approximately \$5 million. • Increased operating costs associated with site clean-up and maintenance. There is a high degree of measurement uncertainty associated with the short to medium-term effects of extreme weather event risk due to the difficulties in estimating the frequency and severity of such events, as well as the extent of the impact being dependent on the level of work undertaken at any point in time. However, the financial effects of business interruptions would likely be limited due to the ability for work to be transferred or relocated to another Monadelphous facility or workshop in accordance with the Group's emergency management plans and incident response strategies. Additional financial effects in the medium-term are expected to arise from increased insurance costs as the insurance market deals with an increased frequency and severity of losses, break-lease or relocation costs associated with leased facilities or rehabilitation costs. The long-term effects are expected to be similar to that of the short to medium-term, albeit reduced to the extent of any relocations based on future decision making.

Risk (Risk Type), Time Horizon and Risk Status	Risk Description, Current and Anticipated Business Impact and Concentration	Risk Mitigation and Management	Current (2026) Financial Effects	Significant Risk of Material Adjustment in 2027	Anticipated Financial Effects over Short, Medium and Long-Term
Shifts in weather patterns (Physical Risk – Chronic) Time Horizon – Short to long Risk Status – Increasing	**Risk Description** Long-term shifts in the climate pattern include rising average temperatures, rising sea levels and chronic heat waves. **Current and Anticipated Business Impact and Concentration** Shifts in weather patterns, in particular extreme heat and prolonged heat waves, have the potential to impact the health and safety of employees, resulting in disruption to operations, reduced operational activity and productivity. The performance of plant and equipment may also be impacted, resulting in an increase in maintenance costs and reduced operational performance. These factors may result in the inability to deliver on contractual requirements.	The Group operates in geographical locations that currently experience high temperatures and heatwaves which are expected to increase in the long-term. The Group is proactive in the management of its workforce operating in high temperatures and humid conditions, providing regular breaks, hydration and shaded work areas where possible. The Group also ensures equipment is regularly inspected and maintained. Productivity factors will be adjusted within contractual terms and conditions where required. The Group continues to progress initiatives to transition owned facilities to renewable power, as well as trialling alternative energy and storage solutions for plant and equipment.	No material impact in 2026.	No.	It is expected that increased temperatures and shifts in other long-term weather patterns will have an adverse effect on the productivity of the Group's workforce in the long-term, however it is unable to quantify the financial effects due to uncertainty over the extent of shifts in weather patterns and timing. The Group expects these effects will be industry wide and will endeavour to address through the adjustment of contractual terms and conditions to capture changes in productivity norms, thereby reducing the impact to the Group's profitability.
Opportunity (Opportunity Type), Time Horizon and Opportunity Status	**Opportunity Description, Current and Anticipated Business Impact and Concentration**	**Opportunity Management**	**Current (2026) Financial Effects**	**Significant Risk of Material Adjustment in 2027**	**Anticipated Financial Effects over Short, Medium and Long-Term**
Renewable energy generation and storage market presence (Energy Sources, Products and Services) Time Horizon – Short to long Opportunity Status – Increasing	Increasing energy demand, together with the rapid expansion of data centres, decarbonisation initiatives and grid stability requirements is driving long-term investment in energy generation, storage and transmission infrastructure. Monadelphous is well positioned to capitalise on energy transition opportunities by leveraging its broad services capability and expanded high-voltage services offering, while Zenviron, its renewable energy joint venture, is well placed to secure further wind farm and battery energy storage, and solar projects. Opportunities are also expected in high-voltage electrical maintenance, as well as long-term maintenance opportunities following the construction of renewable energy assets. Investment in gas generation to support peaking power requirements is also forecast to grow, presenting further opportunities for Monadelphous' integrated capabilities. The growth in renewable energy and the increasing pipeline of opportunities is expected to result in an increase in revenue from contracts with customers, revenue from contracts with customers including joint ventures and profits over the short to long-term. Oxford Economics forecast the broader electricity generation, transmission and distribution market is valued at an average of approximately $35 billion per annum out to 2040.	Monadelphous will leverage capability across the business to support growth in the renewable energy sector. The Group will target construction and maintenance opportunities, including asset renewal, operations and maintenance. Zenviron has built a strong presence and reputation in the renewable energy sector for the delivery of balance-of-plant works for wind farms and more recently, battery energy storage systems. Zenviron will continue to enhance its position through securing further wind, battery storage and solar projects. Sectors are monitored by operational teams and strong customer relationships maintained to ensure the Group effectively targets the right opportunities. The Group will ensure sufficient resources and capacity to effectively capitalise on these opportunities.	Around 7 per cent of the Group's revenue was derived from customers in the renewable energy sector in 2026, an increase of 3 per cent compared to the prior year.	No material adjustment expected. Potential for increased revenue associated with growth in renewable energy sector.	Oxford Economics shows electricity infrastructure capital expenditure has grown on average 20 per cent per annum over the last 5 years. Oxford Economics forecast growth in this market to continue to 2030, before contracting in the early stages of the medium-term (to 2033), followed by an average industry spend of around $28 billion per annum out to 2040). Maintenance opportunities will arise following the substantial capital investment in the short to medium-term. Monadelphous and Zenviron are expected to benefit from this growth, with an increasing proportion of the Group's revenue from contracts with customers including joint ventures expected to be attributable to the renewable energy sector. The Group's investment in Zenviron is accounted for using the equity method, so the expected increase in investment associated with growth in revenue will result in an increase in the share of profit from joint ventures. In relation to the above forecasts, Monadelphous assumes revenue from contracts with customers will grow in line with Oxford Economics forecasts.

Opportunity (Opportunity Type), Time Horizon and Opportunity Status	Opportunity Description, Current and Anticipated Business Impact and Concentration	Opportunity Management	Current (2026) Financial Effects	Significant Risk of Material Adjustment in 2027	Anticipated Financial Effects over Short, Medium and Long-Term
Capitalise on growth in existing markets (Markets) Time Horizon – Short to long Opportunity Status – Increasing	Long-term demand in existing markets of resources and energy remains strong, providing a significant pipeline of prospects across a broad range of commodities, with substantial capital investment required to meet projected demand. Over the medium to long-term, growth in mining and mineral processing, particularly for energy transition metals, is expected to accelerate in response to increasing global demand, driving significant investment across the sector. Customer decarbonisation activities to support the electrification of operations and energy storage will continue to drive a growing pipeline of opportunities. Opportunities also exist in the decommissioning of existing assets (for example in the fossil fuel industries of coal, and oil and gas). It is expected that the energy transition metals sector and the delivery of services to support customers with electrification will represent an increasing proportion of the Group's revenue from contracts with customers and profits over the short to long-term.	The Group continuously monitors customer and market forecasts and adjusts its strategy as required. The Group's strong reputation as a market leader in its core markets means it is well placed to capitalise on opportunities with existing and new customers. The Group will continue to target opportunities for the delivery of quality earnings. The Group will position itself for late life asset support in line with expected future reduced demand for fossil fuels (for example, decommissioning and mine rehabilitation works). The Group will ensure capacity to effectively capitalise on these opportunities.	Around 6 per cent of the Group's revenue was derived from energy transition metals.	No material adjustment expected. Potential for increased revenue associated with growth in existing markets.	Oxford Economics forecast an average annual increase of approximately 3 per cent in capital expenditure related to energy transition metals in the short term (2031). In the medium to long-term, Monadelphous assumes similar growth. Growth in maintenance services for energy transition metals over the short to long-term is expected to be around 2 per cent per annum based on Oxford Economics forecasts. Decommissioning opportunities in the coal sector are expected to arise in the medium to long-term, with opportunities in oil and gas expected beyond the time horizon considered in this assessment. Longer term opportunities will also exist in the decommissioning of mines and removal of infrastructure. Revenue related to supporting customers in the electrification of their operations is expected to represent a larger proportion of the Group's revenue from contracts with customers, however demand will be dependent on the timing and pace of customer decarbonisation objectives and plans. In relation to the above forecasts, Monadelphous assumes revenue from contracts with customers will grow in line with Oxford Economics forecasts.
Leverage existing capabilities to access new markets (Markets) Time Horizon – Short to medium Opportunity Status – Increasing	The Group's markets and growth strategy considers the entry into the electrical infrastructure transmission and distribution market, with opportunities in both construction and maintenance. Oxford Economics forecast the broader electricity generation, transmission and distribution market is valued at an average of approximately $35 billion per annum out to 2040, with approximately $10 billion per annum (based on five-year forecast) attributable to energy transmission and distribution projects. Opportunities also exist in asset renewal and maintenance.	The Group conducts market analysis to understand and assess opportunities. The Group will assess multiple market entry options including acquisitions, partnerships and joint ventures to develop capability and capacity. During the year, the Group acquired high-volage electrical contractor APIP, expanding its capability and position in the electrical infrastructure transmission and distribution sector.	No material impact in 2026. Refer to Note 21 in the Notes to the Consolidated Financial Statements for further information on the acquisition.	No.	The financial effects of this opportunity are difficult to predict given the Group's recent entry into this market. Further investment may be required to build capacity and capability to capitalise on the available and growing opportunities in this market sector.

Opportunity (Opportunity Type), Time Horizon and Opportunity Status	Opportunity Description, Current and Anticipated Business Impact and Concentration	Opportunity Management	Current (2026) Financial Effects	Significant Risk of Material Adjustment in 2027	Anticipated Financial Effects over Short, Medium and Long-Term
Leverage existing capabilities to access emerging markets (Markets) Time Horizon – Medium to long Opportunity Status – Increasing	The development of future energy markets will provide prospects for the Group. There will be an opportunity to leverage current capabilities in both construction and maintenance to new markets that emerge as a result of the transition to a low carbon economy.	The Group will continue to monitor market movements and new opportunities resulting from advancing technologies. It will target new opportunities in future energy markets with existing and new customers and ensure sufficient capacity to effectively capitalise on opportunities.	No material impact in 2026.	No.	The financial effects of this opportunity are difficult to predict given the uncertainty over the timing of technological advancements and the development of new markets. Impact likely to be in the medium to long-term.

2.3 Resourcing the response to climate-related risks and opportunities

Monadelphous monitors changes in demand across existing and target markets through the normal course of its business. The Group's business model enables employees and assets to be directed towards attractive and suitable opportunities as they arise. Where Monadelphous does not currently operate in a target market, it will consider the most appropriate entry strategy, which may include acquisition, partnership or joint venture. The Group's acquisition approach has historically been small sized acquisitions that support service or market expansion and have been funded from the Group's retained earnings.

2.4 Climate transition plan and decarbonisation targets

2.4.1 Energy transition strategy

Monadelphous' markets and growth strategy is to maximise growth and returns from its core markets, focusing on service expansion, market diversification and a targeted approach to new work opportunities. The strategy specifically identifies five key areas of opportunity for the Group associated with the energy transition, with initiatives underway to achieve its objectives.

The Group's energy transition strategy is outlined below.

Energy Transition Strategy		Progress / Outlook
Demand for energy transition metals	Construction and maintenance of production assets for critical metals and minerals such as copper, lithium, nickel, rare earths and minerals sands.	Growth in energy transition metals mining and mineral processing expected to accelerate in response to increasing global demand.
Renewable generation and storage	Engineering, procurement and construction (EPC) balance-of-plant and construction of wind, solar and energy storage systems.	Monadelphous and Zenviron are well placed to secure further wind farm and battery energy storage system projects.
Electrification of operations	Construction and maintenance of assets to electrify customer operations.	Growing pipeline of decarbonisation opportunities in the resources and energy sector.
Electrical infrastructure transmission and distribution	Construction and maintenance of electrical infrastructure in the transmission and distribution networks.	Acquisition of APIP expands capability in the transmission and distribution sector.
Enabling and supporting assets	Construction of gas peaking plants and gas infrastructure, and maintenance of legacy generation facilities.	Investment in gas generation to support baseload and peaking power requirements is forecast to grow. Monadelphous remains well positioned to support customers across the full asset life cycle, including late-life operations and decommissioning activities.

2.4.2 Net Zero emissions by 2050 goal

Monadelphous' goal is to achieve Net Zero emissions by 2050 through innovation and stakeholder collaboration, supporting customers' commitments to decarbonisation, and pursuing opportunities to leave a positive legacy. The Group has developed an Emissions and Energy Reduction Roadmap (Roadmap) which outlines the Group's plan in achieving this goal. The Group's specific decarbonisation targets, along with its plans for how these targets will be achieved, as outlined in the Roadmap, are detailed in section 4.4.

The Roadmap was developed by the Health, Safety and Environment (HSE) function in consultation with a third-party sustainability specialist and other internal stakeholders. It provides guiding principles and key decisions associated with the development and planned implementation of the Group's climate transition and decarbonisation efforts. The Roadmap is reviewed annually or when significant changes are required, and is approved by the Environmental Steering Committee, Executive HSE Committee and the Board.

The Group's climate goal and Roadmap align with the requirements of international and domestic greenhouse gas accounting standards, most notably the *United Nations Framework Convention on Climate Change (the Paris Agreement), Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard* (GHGP) and the *National Greenhouse and Energy Reporting Act*.

The Roadmap which supports the Group's goal of Net Zero Scope 1 and 2 emissions by 2050 for operationally controlled locations incorporates four key focus areas and is based on the dependencies and assumptions outlined below. The Group's approach is based around mitigation of indirect emissions in the short-term, and over the longer term, incrementally lowering direct emissions through the application of lower emission generating products, technologies, equipment and operational methods. Refer to section 4.4.2 for information relating to the planned use of carbon credits.

Switching to renewable power	Optimising operational activities	Greening the fleet	Offset the rest
Approach			
Eliminate Scope 2 emissions by targeting 100 per cent renewable power to be used at owned facilities in Australia by 2030. This will be achieved through: • Installation of rooftop solar on owned facilities (and potentially through on site energy storage units capturing excess renewable power generated that would otherwise be sent to the grid). • Switching to the purchase of green electricity mains power supply (for example, Power Purchase Agreements (PPA)). The long-term target also includes international operational control locations being supplied by 100 per cent renewable power sources.	Lower Scope 1 emissions through undertaking a series of targeted initiatives focused on abating emission generating activities. Key initiatives include, but are not limited to: • Optimise welding and cutting gas usage and implement alternative low emission technology. • Make energy efficiency improvements to permanent offices, workshops and temporary site facilities. • Implement a review process to optimise equipment selection and allocation of assets (vehicles and non-transport fleet) to ensure low emission alternatives are utilised. • Expand methodologies for executing works to reduce reliance on persons being on site (for example, drones, artificial intelligence (AI), remote access) thereby reducing accommodation and transportation in the field.	Lower Scope 1 emissions through the rollout of non-fossil fuel alternatives to the Group's plant and equipment fleet (including generators, light vehicles, buses, trucks, elevated work platforms (EWP), forklifts and cranes). Key initiatives include, but are not limited to: • Adopt solar and battery hybrid power solutions across the Group's operations to minimise reliance on diesel generators. • Trial biodiesel blends to reduce emissions. • Adopt hybrid power solutions for cranage. • Increase the number of hybrid vehicles and transition to low / zero emission vehicle options. • Push for increased availability of low / zero emission assets from suppliers.	Review externally accredited carbon offset programs, or other alternatives, to address hard to abate residual emissions as the Group approaches 2050.
Dependencies			
Structural and electrical infrastructure assessment and possible retrofitting to accommodate rooftop solar installation. Sufficient and appropriate renewable electricity products will be available for purchase. Investment in on site battery energy storage systems where cost effective.	The emergence of alternative low emission technologies which are appropriate for the Group's use, sufficiently available and affordable. The uptake and support of alternative methodologies from customers in executing remote or technology solutions.	The emergence of alternative low emission plant and equipment and vehicle options which are appropriate for the Group's use, sufficiently available and affordable.	Sufficient Carbon Credit offerings become available which align with the Group's expectations of environmental and community benefits, comply with Governmental Carbon Credit requirements and are cost effective.
Assumptions			
Renewable power products will be readily available and commercially affordable by 2030. Power purchase agreements – supply of green power from the grid is available for the quantity of kilowatts required, in the regions where the Group operates and via contracts established with electricity providers.	Above mentioned new technologies and equipment will become available within timeframes aligned with the Group's anticipated rollout.	Above mentioned equipment will become available within timeframes aligned with the Group's anticipated rollout.	Carbon offset costs and industry demand assumed to significantly increase in the medium and long-term time horizons. Offset will be required for hard to abate emissions where there have not been solutions available to mitigate these emissions. Refer to section 4.4.2 for further details regarding carbon credit assumptions.

2.5 Climate resilience through scenario analysis

To aid the strategic planning process, scenario analysis is performed on the Group's climate-related risks and opportunities to test the resilience of the Group's strategy and identify further action that may be required under alternate climate change scenarios. This analysis is performed annually and presented to the Board along with the climate risk and opportunity assessment. All material Group operations are considered in the analysis.

Two alternate scenarios have been used:

- Accelerated action scenario – a low warming scenario where global average temperatures are limited to a 1.5°C increase above preindustrial levels aligned with the latest international agreement on climate change (Paris Agreement); and
- Runaway climate change scenario – a high warming scenario where global average temperatures increase by greater than 4°C above preindustrial levels.

These two scenarios have been selected as they represent two alternate extremes in comparison to the middle of the road scenario used in the climate risk and opportunity assessment for Group strategic planning, and capture both transition risks arising from the shift to a low carbon economy and physical risks resulting from the direct impacts of climate change.

2.5.1 Scenario assumptions

The Group has utilised publicly available information of the potential effects under both alternate scenarios to determine the impact on the Group and the resilience of its strategy and business model. The assumptions under the IPCC's SSP1-1.9 (high transition risk) and SSP5-8.5 (high physical risk) scenarios have been applied. This process has also been informed by peer benchmarking, industry research and input from internal stakeholders.

The accelerated action scenario assumes rapid and large-scale decarbonisation efforts across all sectors to limit global warming to 1.5°C above pre-industrial levels by 2100. It assumes that governments around the world, including Australia, will implement policies that will achieve Net Zero by 2050 and the use of fossil fuels will be significantly reduced. The risks are primarily transition risks with the threat of extreme weather events akin to current conditions.

The runaway climate change scenario assumes continued high reliance on fossil fuels and limited government policy, resulting in an increase in emissions and global average temperatures of greater than 4°C increase by 2100. The impacts of climate change would be extreme with the risks primarily being acute and chronic physical risks, with limited transition risks.

	Accelerated Action Scenario Limited to 1.5°C increase (SSP1-1.9 – high transition risk)	Runaway Climate Change Scenario Greater than 4°C increase (SSP5-8.5 – high physical risk)
Key assumptions		
Climate-related policies	Immediate implementation of globally coordinated ambitious climate policies, including carbon pricing incentivising electrification and decarbonisation.	Delayed and geographically fragmented climate policies (no additional policies beyond existing), and limited constraints on fossil fuels.
Macroeconomic trends	High long-term sustainability-oriented economic growth, resulting from renewable energy investment and productivity improvements.	Rapid economic growth driven by abundant fossil fuels, rising costs associated with physical climate impacts.
National or regional variables	Frequency and severity of extreme weather events akin to current conditions.	Extreme and escalating physical risks, including increased frequency and severity of extreme weather events, rising temperatures and prolonged heatwaves, drought, increased rainfall and rising sea levels.
Energy usage and mix	Transformation of global energy system, rapid phase out of unabated fossil fuels (for example coal) and a shift to renewable energy, supported by electrification, storage and grid stability.	Abundant use of fossil fuels (for example coal and oil and gas), renewable energy expands but remains secondary.
Developments in technology	Accelerated transition to low emission technologies (renewable energy, storage and electrification of operations).	Slow or limited technological breakthrough or advancement in low-emissions alternatives, technology oriented toward fossil-fuel sectors.

The Group's scenario analysis is considered appropriate for its current exposure to climate-related risks and opportunities at this point in time. Risks and opportunities may change or evolve over time and the Group will continue to develop and improve its processes, including quantifying the potential impact of risks on its future financial performance under alternate scenarios, and will expand its disclosures in future reporting periods accordingly as processes mature.

2.5.2 Scenario analysis

The Group has assessed the impact of the above scenarios on its identified climate risks between the current period and the long-term time horizon (i.e. 2051). The assessment considers the impact across the entire business.

The implications of the scenario analysis conducted in the year ended 30 June 2026 and the Group's response is outlined below.

		Accelerated Action Scenario Limited to 1.5°C increase (SSP1-1.9 – high transition risk)		Pathway used for strategic planning Estimated around 2.7°C increase (SSP2-4.5 – middle of the road)		Runaway Climate Change Scenario Greater than 4°C increase (SSP5-8.5 – high physical risk)	
		2026	**2051**	**2026**	**2051**	**2026**	**2051**
Transition risks	Policy: exposure to carbon policies and regulations	Low	High	Low	Medium	Low	Low
	Market: changing customer demands, fossil fuel divestments	Low	Very High	Low	High	Low	Low
Physical risks	Acute weather impacts: vulnerability of assets and operations (for example bushfires, floods, cyclones)	Low	Low	Low	Medium	Low	High
	Chronic weather impacts: impact on workforce productivity, health and safety (for example extreme heat)	Low	Low	Low	High	Low	Very High

Accelerated action scenario – limited to 1.5°C increase

Overall physical risk exposure: Low
Overall transition risk exposure: Low-Very High

Risk/Opportunity Type	Implications	Response
Market (Transition)	An accelerated energy transition will increase demand and investment over the short to long-term in energy transition metals, renewable energy generation and storage, electrification of customer operations (to assist in meeting customer decarbonisation objectives) and electrical transmission and distribution infrastructure, including grid stability infrastructure. There will be limited new oil and gas construction project opportunities and reduced maintenance opportunities. Metallurgical coal activities will decline and eventually cease. Customers will focus on decommissioning facilities and operations resulting in opportunities for Monadelphous. Significant industry investment in new technology associated with the energy transition will present opportunities for Monadelphous, with new markets emerging at a greater pace. There will be greater expectation from customers of their suppliers and contractors to reduce their operational greenhouse gas emissions and may implement prohibitions on the use of assets and equipment which produce greenhouse gas emissions on their operational sites.	Monadelphous will continue to monitor market forecasts, developments and changes, maintaining a diversified business and adapting to market changes where required. The Group has a strong existing presence in energy transition metals and renewable energy markets and is well placed to capitalise on increasing opportunities resulting from an accelerated energy transition. The Group's resources and assets are largely transferable across market sectors. Available resources resulting from reduced activity in oil and gas and coal markets, can be deployed elsewhere taking advantage of increasing opportunities related to the energy transition, as well as those associated with the decommissioning of customer assets. With the emergence of new markets, the Group will assess desirability of market entry, ensuring risk is considered appropriately. The strategy employed will be highly dependent on technology advancements and the Group's risk assessment, which remains uncertain. The Group will review its Net Zero by 2050 goal and Emissions and Energy Reduction Roadmap and accelerate its efforts to transition to solar power and electrify its plant and equipment fleet. Additional resources will be allocated where required. Advanced efforts may provide a competitive advantage with customers.
Policy (Transition)	Governments and regulatory bodies will impose rigorous climate policies and carbon price/tax regimes, with reduction requirements in fossil fuel industries and increased use of green energy.	An increased cost of compliance would result from additional resources allocated to meet more stringent emissions targets (reassessed Group Net Zero goal and government-imposed targets), cost of offsetting net greenhouse gas emissions, more stringent reporting requirements, as well as an increased legal exposure. Opportunities outlined above will result from government policies prompting more rapid market shifts.
Acute and Chronic Weather Impacts (Physical)	Extreme weather events such as cyclones, flood and bushfires may impact operations, however disruption is not expected to be significant, with the frequency and severity of such events akin to current conditions. Long-term shifts in the climate pattern, such as rising temperatures and prolonged heat waves, will be avoided.	The Group will continue to consider the physical impacts of climate change in its business decisions, including decisions around location of workshop facilities.

<u>Runaway Climate Change Scenario – greater than 4°C increase</u>

Overall physical risk exposure: Low-Very High
Overall transition risk exposure: Low

Risk Type/Opportunity Type	Implications	Response
Market (Transition)	Demand will continue for fossil fuels, including oil and gas and steelmaking coal, with some reduction in thermal coal expected. With continued demand for fossil fuels, it is expected there could be delays or deferral of energy transition metals and renewable energy projects, and slower advancement of new technology and emerging markets.	The Group will continue to respond to opportunities in coal and oil and gas markets and pursue opportunities aligned to its strategy in energy transition markets, as they arise.
Policy (Transition)	Lack of, or geographically fragmented, government climate-related policy and rollback of existing policy.	Reduced climate reporting requirements and associated costs.
Acute Weather Impacts (Physical)	An increased frequency and severity of extreme weather events such as cyclones, flood and bushfires will impact Monadelphous, with possible damage to Group owned facilities, disruption to operations and reduced productivity. There will be opportunities in new and existing markets in the construction, maintenance and repair of damaged assets.	The Group will manage disruptions utilising business continuity plans and work closely with customers to address other operational impacts. Resources will be allocated to suitable opportunities in the maintenance and reconstruction of customer assets and operations (beyond existing markets).
Chronic Weather Changes (Physical)	Long-term changes in weather patterns, such as rising temperatures, prolonged heat waves, increased rainfall and rising sea levels will impact operational activity, productivity and threaten the health and safety of employees. There is potential for damage to owned facilities and assets, resulting in possible write-offs, increased maintenance cost and rising insurance costs (or failure of the insurance market resulting in self-insurance cost).	The Group will monitor the impacts of changes in long-term weather pattern and maintain flexibility within its strategy and decision making to adapt to changes.

2.6 Significant areas of uncertainty in assessment of climate resilience

The Group has used scenario analysis to assess the resilience of its strategy, however as the scenarios predict a future outcome, and may result from a combination of factors, there are areas of uncertainty which influence its ability to quantify the impact on its business model and business strategy.

Significant areas of uncertainty include:

- timing of market shifts away from fossil fuels and the extent of investment in energy transition markets;
- the development of new technologies and emerging markets;
- the timing and scope of government climate policies and regulatory requirements.

2.7 Capacity to adjust or adapt strategy and business model to climate change

Monadelphous is a people business, providing expertise, labour and equipment to build, maintain and improve its customers' operations in the resources, energy and infrastructure sectors. The Group uses a centralised pool of engineering assets and shared services in its delivery model. The services provided allow for the effective migration of employees and equipment between operating divisions, customers and markets, with the flexibility to pivot as customer strategies adapt to changes in commodity demands or as markets evolve.

The Group's capacity to remain resilient to climate change is also influenced by maintaining financial flexibility to allocate capital efficiently towards emerging climate priorities. This enables the Group to respond should risks and opportunities change as a result of shifting global action.

As shown in the risk and opportunity assessment and scenario analysis, this flexibility will continue to serve the Group well in the move towards a decarbonised economy.

As noted in the scenario analysis, the key areas of potential changes to capital allocation, resources and asset redeployment are as follows:

If a low-warming world (accelerated action) scenario were to eventuate, the Group has the capacity to:

- Short-term: Incrementally reallocate resources and assets towards emerging energy transition activities, while managing a gradual decline in demand in fossil fuel sectors;
- Medium-term: Progressively redeploy engineering capabilities, workforce and equipment away from declining fossil fuel sectors to support growth in renewable energy, electrification and associated infrastructure; and
- Long-term: Continue rebalancing portfolio toward energy transition-related opportunities and emerging low-emission markets, reflecting sustained shifts in global energy systems.

Alternatively, if a high-warming world (runaway climate change) scenario were to eventuate, the Group has the capacity to:

- Short-term: Continue supporting customers in the construction and maintenance of assets in fossil fuel sectors where demand remains stable;
- Medium-term: Maintain capability in fossil fuel sectors while increasing allocation of resources to the maintenance and reconstruction of customer assets exposed to physical climate risks; and
- Long-term: Expand service offerings into existing or new (to Monadelphous) markets impacted by climate change, including supporting the maintenance, reconstruction and adaptation of customer assets affected by more frequent or severe physical climate events.

The above actions will be implemented should it become clear that a pathway more aligned to the above scenarios is emerging. Further detail on the outcomes of the scenario analysis is provided in the tables in section 2.5.

3. RISK MANAGEMENT

Monadelphous' risk management framework outlines the Group's approach to risk and the processes and controls in place to aid in the identification, mitigation and management of material and emerging risks.

Climate risk is integrated within the risk management framework and forms part of the Group's broader approach to risk management. An overview of the Group's risk management framework, along with a summary of climate risk, is included in the Governance and Risk Management section of this Consolidated Financial Report.

On an annual basis, a climate risk and opportunity assessment is undertaken by management from the Group Risk and HSE functions, along with input and review by strategic and operational teams and executive management.

The Group utilised the guidance of the Task Force on Climate-related Financial Disclosures and obtained input and review from an external climate expert in the development of its initial climate risk and opportunity assessment several years ago. Since then, the Group has continued to develop and refine its approach. Management undertakes research of publicly available climate data to understand the potential impact of climate change on the industries and geographical locations in which the Group operates. This includes external forecast data on the capital and maintenance spend in the Group's key industry sectors, including resources, energy and infrastructure to understand potential impacts on revenue sources, and predicted weather patterns to understand potential operational impacts. Peer analysis is also performed, which includes review of publicly available disclosures to ensure alignment of identified risks where applicable. Refer to section 2.2 for further details on publicly available sources of information used.

Customer analysis provides key information to the assessment. Operational and business development teams maintain strong relationships with customers, ensuring insight into current and future customer strategies, with information also sourced from external disclosures.

The assessment considers the impact of climate risks across the entire business. Risks are assessed in terms of the nature, likelihood and consequence using the Group's standard risk assessment matrix, with qualitative factors overlayed to ensure reasonableness. The Group discloses information regarding climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects.

Scenario analysis is also performed annually to test the resilience of the Group's risk management approach and strategy against various global temperature increase scenarios, and to identify any further risks that have not been captured, as well as additional actions that may be required to address the risks under certain scenarios. The potential impact over the long-term time horizon (2051) is considered for the alternate scenarios. Refer to section 2.5 for further information on the scenario analysis conducted.

On an annual basis, the output of the climate risk and opportunity assessment and scenario analysis is considered during the Group's strategic planning process (further detail is outlined in sections 1 and 2). The Group also reviews the current and emerging risks impacting the Group and its risk management framework to assess its effectiveness in identifying business and financial risks (including contemporary and emerging risks) and controlling their impact. During the year, the Group prioritised its climate-related transition risk mitigation strategies through progressing its markets and growth strategic initiatives focused on perusing opportunities within the energy transition sectors. Refer to sections 2.2 and 2.4 for further details of the Group's energy transition strategy and associated risk mitigation and opportunity management actions. Climate-related risks are considered alongside the other material risks identified for the business and managed within the Board's risk appetite.

The risk management framework is updated to reflect enhancements in systems and controls implemented during the year. The review is presented for assessment to the Audit Committee in accordance with its Charter. The Audit Committee also assesses whether the Group is operating with due regard to the risk appetite set by the Board. Enhancements to the risk management framework implemented during the year associated with climate-related matters include the formal documentation of the process for the development of the Group's climate risk and opportunity assessment.

Whilst the risk and opportunity analysis is formally conducted annually, identified climate risks are reassessed during the year if there is a key change to assumptions or circumstances, a significant event or further information becomes available to indicate a change to the likelihood or consequence.

The Group's strategic objectives are overlayed against the climate-related risks and opportunities to ensure effective alignment and risk management. Specific actions to manage the identified key climate-related risks and opportunities are noted in section 2.2. Strategic actions are recorded in the Group's strategic management tool, alongside other strategic initiatives and the status reported upon monthly.

4. METRICS AND TARGETS

Monadelphous is committed to minimising the impact of its operations on the environment and to the achievement of Net Zero emissions by 2050. The Group's Emissions and Energy Reduction Roadmap outlines a series of interim targets towards achieving this goal and the Group continues to progress various initiatives to meet these objectives.

The Group has an interim target of 20 to 40 per cent reduction in Scope 1 and 2 absolute emissions across its Australian and international operationally controlled locations by 2030. This is the first phase in a staged approach to reduce emissions.

The key areas of focus to achieving these targets, which are supported by Net Zero working groups, include transitioning the Group's facilities and operations to renewable energy sources, greening the Group's fleet of plant and equipment and reducing carbon emissions through optimisation of operational activities.

Monadelphous' base year emissions have been recalculated following the acquisitions of Kerman Contracting and APIP during the financial year, with retrospective application in line with the GHG Protocol guidance for acquisitions. It is expected that future acquisitions by Monadelphous will similarly require recalculation of the base year emissions.

Monadelphous continues to support its customers' ambitions to pursue their Net Zero emission goals, constantly looking for ways to decarbonise its operations to reduce Scope 1 and 2 emissions produced on customer sites.

During the year, the Group transitioned its Scope 1 and 2 reporting to the Workiva Carbon reporting solution for greenhouse gas data collation and analysis, providing greater reporting accuracy and efficiency, with Scope 3 reporting to be implemented in the following financial year.

As Monadelphous continues on its climate journey, further measures and targets will be considered to assess the effectiveness of its climate-related strategies. For a copy of the Group's Emissions and Energy Reduction Roadmap, refer to the Group's website.

4.1 Greenhouse gases - 2026 results

Scope 1 and 2 GHG emissions are measured in accordance with the *GHG Protocol: A Corporate Accounting and Reporting Standard (2004)* (GHGP). The boundary review for reporting against the GHGP also considered the requirements for future reporting of Scope 3 emissions.

With the introduction of the Workiva Carbon solution, the Group conducted methodology reviews and assessed the nominated emission factors being applied from Australian and international sources. The Group has commenced using emission factors provided within Workiva Carbon libraries, ensuring alignment with the primary domestic data source being the National Greenhouse Accounts (NGA) Factors (Department of Climate Change, Energy, the Environment and Water). The Group confirms other sources of emission factors utilised within the Workiva Carbon solution for all emissions are within an acceptable variance, and documents this within its Scope 1 and 2 basis of preparation report.

In preparation for future Scope 3 emissions reporting, Workiva Carbon includes domestically and internationally available emission factors for Scope 3 calculations, with the relevant sources being documented in the Group's Scope 3 basis of preparation report.

For all of its GHG emissions, the Group applies an operational control approach to define its organisational boundary for the purposes of calculating GHG emissions. This approach reflects emissions from assets and operations where the Group has the authority to implement operating and environmental policies and therefore can directly influence and manage greenhouse gas emissions. Management considers this approach to provide the most relevant representation of the emissions associated with operations under its control.

The Group has elected not to disclose Scope 3 emissions for the year ended 30 June 2026 in accordance with the transition provisions of *AASB S2 Climate-related Disclosures*.

4.1.1 Scope 1 and Scope 2 GHG emissions

Operational control GHG emissions fell 5 per cent compared to the nominated base year[1] ended 30 June 2024, largely attributed to a reduction in electricity purchased across the Group's offices and workshops.

GHG Emissions (metric tonnes of CO_2-e)	Base Year 2024[1]	2026
Scope 1 emissions	5,666	5,629
Scope 2 emissions	2,511	2,109
Total Scope 1 and 2 emissions	8,177	7,738

Scope 1 GHG emissions refer to the direct GHG emissions that occur from sources owned or controlled by the Group. Scope 1 direct emissions primarily relate to the Group's combustion of liquid fuels and gases associated with activities undertaken within the Group's workshops and yards.

[1] Base Year 2024 unaudited.

Scope 2 GHG emissions refer to indirect GHG emissions from the generation of electricity acquired and consumed by the Group. The Group's Scope 2 GHG emissions are measured using a location-based methodology reflecting the specific emissions factors attributed to the electricity grids from which the Group sources electricity. Refer to Section 4.2.1 for specific source references.

As part of its Net Zero goal, the Group is currently identifying and progressing opportunities for facility updates and improvements, including alternative renewable power supply options such as rooftop solar or purchasing renewable mains power for all Group owned facilities (including offices and workshops).

Following the initial phase of rooftop solar installation to its workshop facilities, the Group will undertake a detailed assessment of its electricity usage profile and commence negotiations with electricity providers to secure contractual agreements for the supply of renewable Net Zero mains electricity for its residual power needs. The Group will also continue to assess usage and consider, where feasible, the installation of battery energy storage systems to further reduce reliance on grid supplied power.

4.1.2 Disaggregated Scope 1 and Scope 2 GHG emissions

The Group's disaggregated Scope 1 and Scope 2 GHG emissions are as follows:

GHG Emissions (metric tonnes of CO_2-e)	Scope 1	Scope 2	Total
Consolidated Group	5,629	2,109	7,738
Investments in joint ventures and unconsolidated subsidiaries (under operational control)	-	-	-
Total Scope 1 and 2 GHG emissions (operational control basis)	5,629	2,109	7,738

The above emissions do not include Monadelphous' joint venture entities, Mondium Pty Ltd and Zenviron Pty Ltd, as Monadelphous does not control these entities in accordance with the GHGP (joint control and equity accounted). They have been assessed for inclusion in future Scope 3 emission reporting boundaries.

4.1.3 Value chain GHG emissions (Scope 3)

Emissions that occur in the Group's value chain as a result of Group operations, but not directly controlled by the Group (for example emissions from employee air travel and commuting, waste, purchased goods) equal the Group's Scope 3 emissions.

During the year, the Group confirmed its methodology and established procedures for implementation from 1 July 2026 to gather data to report Scope 3 emissions in the 2027 financial year.

4.2 Methodology for the calculation of GHG emissions

4.2.1 Calculation standard

For the calculation of Scope 1 and 2 GHG emissions, the Group follows the guidelines and methodologies contained in the *Greenhouse Gas (GHG) Protocol: Corporate Accounting and Reporting Standard (2004)* and NGA Factors (2025). The Group's basis of preparation documents for Scope 1 and 2 emissions details the application of boundaries, sourcing of data, and transformation of the data into a reportable emissions value via the Workiva Carbon solution, where relevant emission factors are applied, providing the total tonnes of CO_2 equivalent for reporting.

<u>Operational Control:</u>

Each year, a review is completed of the locations the Group operates from, and the projects undertaken, to assign operational control status, and to check for any changes from the prior year. This list of operational control locations is then used as the boundaries applied to data reported for the Group's Scope 1 and 2 emissions. Operational control includes the offices, workshops and yards owned by the Group, or where the Group is the majority leaseholder.

Recalculations:

Recalculations occur where a new source of emission has been identified (such as a new fuel blend or supplier) or an error has been identified in a conversion.

Methodologies for calculating reported emissions are aligned with the NGA Factors, GHG Protocol tools, and for international datasets, the International Energy Agency (IEA), which are verified within the Workiva Carbon solution.

Emissions are calculated utilising published emissions factors which already convert constituent greenhouse gases into CO_2 equivalent (CO_2-e).

Summary of Emission Factors and Data Treatment

Scope	Emission Category	Activity	Data Source	Emissions Factor (EF) Source	Methodology, Data Quality and Uncertainty	Additional Notes
Scope 1	Liquid fuels – Stationary combustion	Quantity of fuel used for stationary energy purposes	Fuel purchase transaction history including invoices	Australian assets: EFs sourced from NGA Factors (2025) Non-Australian assets: N/A – No Scope 1 emissions	Quantity of fuel consumed multiplied by the associated emission factor for each fuel type. High data quality, low uncertainty	Workiva Carbon libraries prioritise which EF source is applied to each emission source. Where the Group has determined that the delta between the domestic EF sources and the alternatives used is greater than 5 per cent, a custom factor is established using the preferred domestic EF value.
	Liquid fuels – Transport combustion	Quantity of fuel used for transport energy purposes	Fuel purchase transaction history including invoices			
	Gaseous fuels – Stationary combustion	Quantity of combustible gas used for operational purposes (for example industrial heating and cutting, forklift operation)	Invoices	Australian assets: EFs sourced from NGA Factors (2025) Non-Australian assets: N/A – No Scope 1 emissions	Quantity of gas consumed multiplied by the associated emission factor for each gas type combusted. High data quality, low uncertainty	Workiva Carbon libraries prioritise which EF source is applied to each emission source. Where the Group has determined that the delta between the domestic EF sources and the alternatives used is greater than 5 per cent, a custom factor is established using the preferred domestic EF value.
	Gaseous fuels – Non-combusted (consumed only)	Quantity of inert gas exhausted to the atmosphere during operational purposes (for example welding shielding gas)	Invoices	Australian assets: Energy content factors sourced from NGA Factors (2025) Non-Australian assets: N/A – No Scope 1 emissions		Energy content is captured for monitoring as consumed not combusted entered as a custom factor in Workiva Carbon using Australian NGA Factors (2025) Energy Content factors – no tCO_2-e reported for this source.
	Liquefied Natural Gas (LNG) supplied in pipeline	Quantity of LNG supplied via pipeline (for example used for heat generation)	Invoices	Australian assets: EFs sourced from the NGA Factors (2025) Non-Australian assets: N/A – No Scope 1 emissions	Quantity of gas consumed multiplied by the associated emission factor for each gas type combusted. High data quality, low uncertainty	EF sourced from Australian NGA Factors (2025) and aligned within Workiva Carbon.
	Fugitive Emissions - Refrigerants and Sulfur Hexaflouride (SF_6)	Quantity of leakage (escaped emissions) for refrigerants gases (for example vehicle /	SF_6: Invoices and licence records / registers Refrigerants: Asset registers	Australian assets: EFs sourced from either: - IPCC The Earth's Energy Budget, Climate Feedbacks and Climate Sensitivity (Chapter 7: Supplementary Material) (2021); or	Refrigerants estimated leakage methodology: Volume of gas units multiplied by the associated leakage rate and emission factor for each gas type and source type.	Workiva Carbon libraries prioritise which EF source is applied to each emission source. Where the Group has determined that the delta between the

Scope	Emission Category	Activity	Data Source	Emissions Factor (EF) Source	Methodology, Data Quality and Uncertainty	Additional Notes
		building aircon operation) Quantity of SF_6 gas consumed during storage and maintenance activities (for example high voltage switchgear servicing)		- NGA Factors (2025) (Global Warming Potential (GWP) and leakage rates) Non-Australian assets: N/A – No Scope 1 emissions NOTE: IPCC AR6 GWP values are used for refrigerants and SF6 calculations	SF_6 estimated mass balance methodology: Volume of gas in stocktake year commencement and year end, plus adjustments, multiplied by the emission factor. Low data quality, moderate uncertainty	domestic EF sources and the alternatives used is greater than 5 per cent, a custom factor is established using the preferred domestic EF value.
Scope 2	Purchased electricity	Electricity consumption	Invoices	Australian assets: EFs sourced from the NGA Factors (2025) Non-Australian assets: EFs from International Energy Agency (IEA) Emission Factors (2025)	Location-based method. High data quality and low uncertainty due to complete invoice sets	Workiva Carbon uses domestically available EF sources based on location configurations, and aligns this with available library publications
	Generated electricity	Electricity generated by renewable sources	Meter readings and invoices	N/A	Estimated from invoiced data and system size to calculate generated kWh and split between export and self-consumption, where applicable.	Reported as avoided emissions

4.3 Other cross-industry metrics

4.3.1 Assets or business activities vulnerable to climate-related transition risks

The Group has identified the following assets or business activities vulnerable to climate-related transition risks relating predominantly to the Group's exposure to fossil fuel industries.

Coal

Metric	2026 $'000	Commentary
Total revenue from contracts with customers including joint ventures from coal	161,979	This represents 5 per cent of the Group's total revenue from contracts with customers including joint ventures.

Oil and gas

Metric	2026 $'000	Commentary
Total revenue from contracts with customers including joint ventures from oil and gas	1,108,346	This represents 37 per cent of the Group's total revenue from contracts with customers including joint ventures.

In addition, the net book value of the Group's plant and equipment fleet (owned and under hire purchase) that runs on fossil fuel sources is $125 million. However, the risk of impairment over the assessment time horizons is considered low, as the Group expects to be able to sell these assets while transitioning its fleet to alternative energy sources.

Refer to section 2.2 for further details associated with the Group's assessment of climate-related transition risks.

4.3.2 Assets or business activities vulnerable to climate-related physical risks

Refer to section 2.2 for further details associated with the Group's assessment of climate-related physical risks.

Assets risk assessment and insurance coverage analysis

The Group has assessed its facilities and operational locations to determine the potential impacts as a result of increased frequency and severity of extreme weather events such as cyclones, flood and bushfires.

At time of reporting, there were no Group-owned facilities located in areas identified to be at a high risk of climate-related acute physical impacts. However, two leased facilities (one office and one workshop) are located in areas identified to have a medium to very high likelihood of experiencing climate-related flooding in the short to medium-term. These locations are considered potentially vulnerable to immaterial financial losses resulting from flood related contents damage and operational disruptions.

During the period, the Group undertook a detailed review of its insurance policies to ensure sufficient coverage proportionate with its assessed exposure to climate-related acute physical impacts. The Group also evaluated its concentration risk and has assessed there to be a low probability of a single climate-related acute physical event impacting multiple Group facilities and operational locations, owing to geographical dispersion of its assets and limited exposure in locations vulnerable to climate-related acute physical impacts.

The Group's insurance policies include sub-limits for flood impacts (for both impacts to isolated locations and impacts to multiple locations from the same flooding event). Consistent with its concentration risk assessment, the Group has identified there to be a low probability of multiple facilities being impacted by a single flood event.

The assessment of locations vulnerable to climate-related acute physical impacts was derived from data provided by the *Climate Council – climate risk map of Australia* utilising a medium emissions scenario and a short to medium timeframe.

4.3.3 Assets or business activities aligned with climate-related opportunities

The Group has identified the following assets or business activities aligned with climate-related opportunities.

Renewable energy

Metric	2026 $'000	Commentary
Total revenue from contracts with customers including joint ventures from renewable energy	197,177	This represents 7 per cent of the Group's total revenue from contracts with customers including joint ventures for the period.

Energy transition metals

Metric	2026 $'000	Commentary
Total revenue from contracts with customers including joint ventures from energy transition metals (includes copper, lithium, nickel and rare earths)	176,185	This represents 6 per cent of the Group's total revenue from contracts with customers including joint ventures for the period.

Opportunities related to new and emerging markets are expected to represent an increasing proportion of the Group's revenue over coming years.

Refer to section 2.2 for further details associated with the Group's assessment of climate-related opportunities.

4.3.4 Capital deployment

The Group continues to invest in initiatives supporting its Net Zero goal and opportunities to capitalise on the energy transition.

The following table provides an overview of the amount of capital deployed during the year towards climate-related initiatives.

Metric	2026 $'000
Capital expenditure and financing activities for 2026 relating to Net Zero initiatives	542

Climate-related opportunities are pursued as part of the Group's markets and growth strategy. These activities are integrated within the relevant functions of the business, including strategy, business development, tendering and estimating.

During the year, the Group advanced its energy transition strategy through the acquisition of high-volage electrical contractor APIP, expanding its capability and position in the electrical infrastructure transmission and distribution sector. Refer to Note 21 in the Notes to the Consolidated Financial Statements for further information on the acquisition.

4.4 Climate-related targets

The Group's goal is to achieve Net Zero emissions by 2050 through innovation and stakeholder collaboration, supporting customers' commitments to decarbonisation and pursuing opportunities to leave a positive legacy.

Monadelphous has set a target to achieve Net Zero Scope 1 and 2 emissions by 2050. This is a net target and does not currently include a separately defined gross emissions reduction target. The Group is developing its decarbonisation pathway, including the expected contribution of direct emissions reductions and the potential use of carbon offsets. Monadelphous' Net Zero Scope 1 and Scope 2 emissions target to 2050 covers all greenhouse gases included in its emissions reporting boundary. These comprise carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O), which together represent the material sources of emissions from the Group's operations. All emissions are measured and reported as carbon dioxide equivalent (CO_2-e).

The Group's climate-related targets as outlined in its Emissions and Energy Reduction Roadmap are detailed below.

Committed to Net Zero by 2050	
Metric	Group-wide emissions reduction to Net Zero for Scope 1 and 2 emissions by 2050 with reference to the base line period 2024 (refer below), measured in tonnes of carbon dioxide equivalent (tCO_2-e) in accordance with the GHG Protocol
Objective	Mitigation of Scope 1 and 2 GHG emissions
Scope	Applies to all activities (including international) under the Group's operational control
Period	Years ended 30 June 2024 to 30 June 2050
Base period	Year ended 30 June 2024 (FY24)
Milestones and interim targets	Targeting a 20-40 per cent reduction in absolute Scope 1 and 2 emissions by the year ending 30 June 2030. Targeting 100 per cent renewable power supply to Australian operational control locations by the year ending 30 June 2030.
Target type (absolute or intensity)	Absolute quantitative target
Alignment with jurisdictional commitment	Target is informed by the latest international climate agreements (Paris Agreement), however has not been derived using sectoral decarbonisation approaches, science-based targets or global mitigation pathways.
External validation	No.
Review process	These targets are reviewed annually by the Executive HSE and Environmental Strategy Steering committees and the Board, as outlined in section 1 Governance.
Metrics for monitoring progress	Group-wide operational control Scope 1 and 2 emissions reduction to Net Zero by year ending 30 June 2050.
Revision	No revisions have been made to the target in the current period. Any future revisions to the target will be disclosed and explained in the annual Sustainability Report.
Progress achieved during the year and status at year end	5 per cent reduction in total Scope 1 and 2 emissions compared to the base period (year ended 30 June 2024) (refer to section 4.4.1 for further details).

4.4.1 Performance against climate-related targets

The Group's Scope 1 and 2 GHG emissions increased by 9 per cent compared to the prior financial year due to a 31 per cent increase in operational activity across the business. However, the Group has achieved a 5 per cent reduction in Scope 1 and 2 emissions compared to its FY24 base year, mainly through its transition to renewable electricity under its Net Zero by 2050 strategy.

As this is the Group's first year of reporting, a detailed analysis of performance trends and changes has not yet been completed but will form part of the disclosures in subsequent reporting periods.

A major focus for the Group during the year was the expansion of onsite renewable energy generation across operational facilities. Approximately 40 per cent of total power consumption across the Group's owned facilities with solar installations is now sourced from renewable energy. Monadelphous also strengthened its low emissions fleet capability through targeted investment informed by trials conducted through the Net Zero working group. The Group acquired two hybrid cranes and integrated two electric forklifts into its fleet, reducing fuel consumption and operational emissions. In parallel, the Group also purchased its first battery energy storage system with a supporting solar panel system, with the objective of deploying these power solutions more broadly following successful commissioning.

4.4.2 Planned use of carbon credits to achieve its targets

The Group is committed to lowering its operational greenhouse gas emissions in line with its Net Zero by 2050 goal. To meet its reduction targets, the Group is implementing direct abatement measures, with the use of voluntary carbon credits allowed for in its strategy as the Group approaches 2050 to support the achievement of its Net Zero target.

The Group does not plan to purchase or use carbon credits in the near future and is focused on achieving its Net Zero goal through the implementation of emission reduction and abatement measures. In the event the Group does require the use of carbon credits, this will be disclosed including which accredited scheme is used, the type of carbon credit being nature-based or technology-based, and if the underlying offset is achieved via carbon reduction or removal. Any other factors in relation to the integrity and credibility of the carbon credits used in the future will be included in these disclosures.

For illustrative purposes, the Group has outlined in section 2.2 the estimated cost where the purchase of carbon credits or offsets from an accredited program is undertaken to achieve the reduction targets within the Roadmap, such as for hard to abate or legacy tCO_2-e.

At time of reporting, the Group is yet to commence evaluation of carbon credit offerings. In future periods when evaluating carbon credit programs, the Group's assessment criteria will aim to ensure environmental and community benefits and compliance with Governmental Carbon Credit requirements.

Directors' declaration

In the opinion of the directors of Monadelphous Group Limited ("the Company"), I state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (collectively, "the Group") for the year ended 30 June 2026, as presented on pages 24 to 54, are in accordance with the *Corporations Act 2001*, including:

(a) Complying with Australian Sustainability Reporting Standard *AASB S2 Climate-related Disclosures* and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and
(b) Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of Monadelphous Group Limited pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.

On behalf of the Board

Robert Velletri
Chair
Perth, 24 August 2026

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Independent auditor's review report to the members of Monadelphous Group Limited

Conclusion

We have conducted a review of the following information in the Sustainability Report of Monadelphous Group Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Paragraphs 1.1 to 1.6 on pages 25 to 32
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Paragraphs 2.1 to 2.2 on pages 32 to 33, the "Risk Type" and "Risk Description" disclosed in the tables on pages 34 to 37 and the "Opportunity Description" on pages 37 to 39
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Paragraphs 4.1.1 to 4.1.2 on pages 48 to 49 except "Base Year 2024" data

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

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

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

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

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

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

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, but does not include the selective sustainability information and our review report thereon. At the date of this review report, in addition to the Sustainability Report, we obtained the Financial Report, the Directors' Report, Chair's Report, Company Performance, Governance and Risk Management that are to be included in the Annual Report.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon in this review report. We have issued a separate auditor's report on the Financial Report and the Remuneration Report.

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

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and

- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 24 to 25 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

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

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

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

- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of Monadelphous Group Limited's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
24 August 2026

The information on pages 60 to 88 forms part of the Directors' Report for the year ended 30 June 2026 and is to be read in conjunction with the following information.

DIRECTORS

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

Names, qualifications, experience and special responsibilities

Robert Velletri	Chair Appointed as Director 26 August 1992 Appointed as Managing Director on 30 May 2003 and ceased as Managing Director following his appointment as Chair on 22 November 2022 Mechanical Engineer, Member of Engineers Australia 47 years of experience in the construction and engineering services industry
Zoran Bebic	Managing Director Appointed as Managing Director 22 November 2022 Certified Practising Accountant, Fellow Member of CPA Australia 35 years of experience in the construction and engineering services industry
Susan Lee Murphy AO	Deputy Chair and Lead Independent Non-Executive Director Appointed 11 June 2019 Civil Engineer, Honorary Fellow of Engineers Australia 47 years of experience in the resources and infrastructure industries Also a non-executive director of the following other publicly listed entities: Austal Limited (ASX: ASB) – appointed 1 September 2025 MMA Offshore Limited (ASX: MRM) – appointed 30 April 2021, resigned 26 July 2024 RemSense Technologies Limited (ASX: REM) – appointed 17 May 2023, resigned 21 February 2024
Helen Jane Gillies	Independent Non-Executive Director Appointed 5 September 2016 Solicitor, Master of Business Administration and Construction Law, Fellow of the Australian Institute of Company Directors 30 years of experience in the construction and engineering services industry Also a non-executive director of the following other publicly listed entities: Yancoal Australia Limited (ASX: YAL) – appointed 30 January 2018, resigned 9 February 2024 Aurelia Metals Limited (ASX: AMI) – appointed 21 January 2021, resigned 31 January 2024
Enrico Buratto	Independent Non-Executive Director Appointed 11 October 2021 Civil Engineer, Fellow of Engineers Australia 51 years of experience in the construction and engineering services industry

Dietmar Robert Voss	Independent Non-Executive Director Appointed 10 March 2014 Chemical Engineer, Member of the Australian Institute of Company Directors 52 years of experience in the energy, and mining and minerals industries

COMPANY SECRETARIES

Philip Trueman	Company Secretary and Chief Financial Officer Appointed 21 December 2007 Chartered Accountant, Member of Chartered Accountants Australia and New Zealand 26 years of experience in the construction and engineering services industry
Kristy Glasgow	Company Secretary Appointed 8 December 2014 Chartered Accountant, Member of Chartered Accountants Australia and New Zealand 21 years of experience in the construction and engineering services industry

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the directors in the shares, rights and options of Monadelphous Group Limited were:

	Ordinary Shares	Performance Rights over Ordinary Shares
R. Velletri	2,302,026	Nil
Z. Bebic	181,966	127,749
D. R. Voss	72,659	Nil
H. J. Gillies	10,857	Nil
S. L. Murphy	14,652	Nil
E. P. Buratto	7,330	Nil

EARNINGS PER SHARE

	Cents
Basic Earnings Per Share	127.56
Diluted Earnings Per Share	126.09

DIVIDENDS

	Cents	$'000
Final dividends declared		
▪ on ordinary shares	59.00	59,308
Dividends paid during the year:		
Current year interim		
▪ on ordinary shares	49.00	49,013
Final for 2025		
▪ on ordinary shares	39.00	38,719

CORPORATE INFORMATION

Corporate structure

Monadelphous Group Limited is a company limited by shares that is incorporated and domiciled in Australia. Monadelphous Group Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year (refer note 20 in the financial report).

The registered office of Monadelphous Group Limited is located at:

59 Albany Highway
Victoria Park
Western Australia 6100

Nature of operations and principal activities

Services

Monadelphous is a diversified services company operating in the resources, energy and infrastructure industry sector.

Services provided include:
- Large-scale, multidisciplinary and vertically integrated project management and construction services
- Earthworks
- Structural concrete and inground services
- Fabrication
- Modularisation
- Structural, mechanical and piping
- Heavy lift
- Electrical and instrumentation
- Commissioning
- Demolition
- Design and construction of non-process infrastructure
- Balance-of-plant design and construction of renewable energy developments
- High-voltage electrical construction and maintenance services
- Mechanical and electrical maintenance
- Shutdowns
- Sustaining capital works
- Fixed plant maintenance services
- Access solutions
- Specialist coatings
- Rail maintenance services

General

Monadelphous operates from major offices in Perth and Brisbane, with regional offices in Newcastle, Beijing (China), Ulaanbaatar (Mongolia) and Manila (Philippines), and a network of workshop facilities in Kalgoorlie, Karratha, Port Hedland, Newman, Tom Price, Darwin, Roxby Downs, Gladstone, Mount Thorley, Mackay, Bibra Lake, Bunbury, Capel, Chinchilla, Morwell, Wangara, Osborne Park, Applecross, Kwinana, Blackwater and Vung Tau City (Vietnam).

The consolidated entity's revenue is earned predominantly from the resources, energy and infrastructure industry sector. There have been no significant changes in the nature of those activities during the year.

Employees

The consolidated entity employed 7,482 employees as of 30 June 2026 (2025: 7,375 employees).

OPERATING AND FINANCIAL REVIEW

Review

A review of operations of the consolidated entity during the financial year, the results of those operations, the changes in the state of affairs and the likely developments in the operations of the consolidated entity are set out in the Operating and Financial Review section of this report.

Operating results for the year

	2026 $'000	2025 $'000
Revenue from contracts with customers	**2,786,805**	2,153,156
Profit after income tax expense attributable to equity holders of the parent	**127,300**	83,721

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the parent entity or the consolidated entity during the financial year.

SIGNIFICANT EVENTS AFTER REPORTING PERIOD

Dividends declared

On 24 August 2026, the directors of Monadelphous Group Limited declared a final dividend on ordinary shares in respect of the 2026 financial year. The total amount of the dividend is $59,308,343 which represents a fully franked final dividend of 59 cents per share. This dividend has not been provided for in the 30 June 2026 financial statements. The Monadelphous Group Limited Dividend Reinvestment Plan will apply to the dividend.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Refer to the Chair's Report for information regarding the likely developments and future results.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Monadelphous Group Limited is subject to a range of environmental regulations.

During the financial year, Monadelphous Group Limited met all reporting requirements under any relevant legislation. There were no incidents which required reporting.

The Company strives to continually improve its environmental performance.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 1,346,320 performance rights on issue as follows:

- 299,698 performance rights to take up one ordinary share in Monadelphous Group Limited. The performance rights have a vesting date 1 July 2027
- 207,538 long-term performance rights to take up one ordinary share in Monadelphous Group Limited. The performance rights have a vesting date 20 December 2026
- 292,363 long-term performance rights to take up one ordinary share in Monadelphous Group Limited. The performance rights have a vesting date 1 November 2027.
- 141,699 performance rights to take up one ordinary share in Monadelphous Group Limited. The performance rights have a vesting date 1 July 2028
- 405,022 long-term performance rights to take up one ordinary share in Monadelphous Group Limited. The performance rights have a vesting date 3 November 2028

Performance rights and option holders do not have any right, by virtue of the performance right or option, to participate in any share issue of the Company or any related body corporate or in the interest of any other registered Scheme.

Shares issued as a result of the exercise of performance rights

On 1 July 2026, 429,648 ordinary shares in Monadelphous Group Limited were issued upon the vesting and exercise of performance rights.

On 1 July 2025, 444,273 ordinary shares in Monadelphous Group Limited were issued upon the vesting and exercise of performance rights.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid premiums in respect of a contract insuring all the directors and officers of Monadelphous Group Limited against a liability incurred in their role as directors of the Company, except where:

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

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

INDEMNIFICATION OF AUDITORS

The Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against certain liabilities to third parties arising from the audit to the extent permitted by law. The indemnity does not extend to any liability resulting from a negligent, wrongful or wilful act or omission by Ernst & Young. No payment has been made to indemnify Ernst & Young during or since the audit.

INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS WITH THE COMPANY

During or since the end of the financial year, no director has had any interest in a contract or proposed contract with the Company being an interest the nature of which has been declared by the director in accordance with Section 300(11)(d) of the *Corporations Act 2001*.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director are shown in the table below.

		Meetings of Committees		
	Directors' Meetings	**Audit**	**Remuneration**	**Nomination**
Number of meetings held:	13	6	4	1
Number of meetings attended:				
R. Velletri	13	-	-	1
Z. Bebic	13	-	-	-
D. R. Voss	13	6	4	1
H. J. Gillies	13	6	4	1
S. L. Murphy	13	6	4	1
E. Buratto	13	6	4	1

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an audit committee, a remuneration committee and a nomination committee.

Members acting on the committees of the Board during the year were:

Audit	**Remuneration**	**Nomination**
H. J. Gillies (c)	S. L. Murphy (c)	R. Velletri (c)
D. R. Voss	D. R. Voss	H. J. Gillies
S. L. Murphy	H. J. Gillies	D. R. Voss
E. P. Buratto	E. P. Buratto	S. L. Murphy
		E. P. Buratto

Note: (c) Designates the chair of the committee.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars ($'000) (where rounding is applicable) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. The Company is an entity to which the legislative instrument applies.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors have received an independence declaration from the auditor of Monadelphous Group Limited, as shown on page 89.

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	$
Tax compliance services	48,875
Other	80,000
	128,875

REMUNERATION REPORT (AUDITED)

1. Remuneration Report Overview

The Remuneration Report for the year ended 30 June 2026 outlines the remuneration arrangements for Key Management Personnel (KMP) of the Group (consolidated entity comprising the parent entity Monadelphous Group Limited and its subsidiaries) in accordance with the requirements of the *Corporations Act 2001.* The Remuneration Report forms part of the Directors' Report and has been audited in accordance with the *Corporations Act 2001.*

2. Remuneration Philosophy

The performance of the Group depends predominantly and primarily upon the quality of its employees. To prosper, the Group must attract, motivate and retain highly skilled employees, which includes the directors and executives of the Group.

To this end, the Group embodies the principles of providing competitive rewards to attract and retain high calibre executives, and the linking of executive rewards to the creation of shareholder value.

3. Remuneration Governance

3.1 Overview

The Remuneration Committee of the Board of Directors of Monadelphous is responsible for reviewing and recommending to the Board for approval, compensation arrangements for directors and the executive management team. The composition of the Remuneration Committee is set out on page 65 of this report. Further information about the Remuneration Committee's role and responsibilities is available on the Group's website at www.monadelphous.com.au.

The Remuneration Committee utilises remuneration survey data compiled by recognised remuneration research organisations across a range of industries and geographic regions. The remuneration survey data is updated every 6 months and is used to assess the appropriateness of the nature and amount of remuneration of directors and the executive management team. This assessment is made with reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

In recommending the remuneration levels of directors and executives, the Remuneration Committee takes into consideration the performance of the Group, divisions and business units, as well as that of the individual.

3.2 Remuneration Structure

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

3.3 Employment Contracts

All executives have non-fixed term employment contracts. The Group or the executive may terminate the employment contract by providing the required notice (3 months for the Chief Financial Officer or 6 months for the Managing Director and Executive General Managers). The Group may terminate the contract at any time without notice if serious misconduct has occurred.

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. Remuneration Governance (continued)

3.4 Hedging of Equity Awards

The Group prohibits executives from entering into arrangements to protect the value of unvested equity-based awards. The prohibition includes entering into contracts to hedge their exposure to options awarded as part of their remuneration package.

3.5 Share Trading Policy

Under the Group's Share Trading Policy, Key Management Personnel and other employees may only trade in securities of Monadelphous during specific periods, and then only if they do not possess any unpublished, price-sensitive information in relation to those securities.

The trading periods in which buying and selling of Monadelphous securities, either directly or indirectly, by a Key Management Personnel or other employee is allowed, spans the periods between 24 hours and 30 working days after each of the following events:

- release of the annual and half-yearly results to the ASX;
- the close of the Annual General Meeting; or
- any other time as the Board permits.

All other periods are 'closed periods' during which Key Management Personnel and other employees are prohibited from dealing in Monadelphous securities, except with the explicit approval of the Executive Chair. From time to time, the Board may also declare that Key Management Personnel and other employees are prohibited from dealing in Monadelphous securities during trading periods even though those trading periods are not closed periods.

Before commencing to trade, a Key Management Personnel or other employee must first notify the Company Secretary of their intention to do so. The notification must state that the proposed purchase or sale is not as a result of access to, or being in possession of, price sensitive information that is not currently in the public domain.

As required by the ASX Listing Rules, the Company notifies the ASX of any transaction conducted by the directors in the securities of the Company.

For a copy of the Share Trading Policy, please refer to the Monadelphous website.

4. Key Management Personnel

For the purposes of this report Key Management Personnel of the Group are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent entity. For the purposes of this report, the term 'executive' encompasses the Executive Chair, Managing Director (MD), Chief Financial Officer (CFO) and Executive General Managers (EGM) of the Group.

REMUNERATION REPORT (AUDITED) (CONTINUED)

4. Key Management Personnel (continued)

The following persons were classified as Key Management Personnel during the financial year ended 30 June 2026:

Directors

R. Velletri	Executive Chair
Z. Bebic	Managing Director
S. L. Murphy	Deputy Chair and Lead Independent Non-Executive Director
D. R. Voss	Independent Non-Executive Director
H. J. Gillies	Independent Non-Executive Director
E. P. Buratto	Independent Non-Executive Director

Senior Executives

P. Trueman	Chief Financial Officer and Company Secretary
A. Reid	Executive General Manager, Maintenance & Industrial Services
A. Cook	Executive General Manager, Engineering Construction

5. Executive Remuneration

5.1 Overview

Objective

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

- Reward executives for Group, divisional, business unit and individual performance;
- Align the interests of executives with those of shareholders; and
- Ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee receives external survey data from recognised remuneration research organisations and considers market levels for comparable executive roles when making its recommendations to the Board.

The Executive Chair receives only fixed remuneration and is not eligible to participate in the variable remuneration plans.

Executive remuneration consists of fixed and variable remuneration elements comprising short and long-term reward plans. The proportion of fixed and variable remuneration is established for each executive by the Remuneration Committee and Board.

From time to time, the Group reviews the structure and composition of variable remuneration to ensure it remains relevant and market competitive.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

Below is a diagram of the composition of Executive Remuneration provided during the financial year ended 30 June 2026:

Fixed Remuneration

Base Salary + Superannuation + Other Benefits

Variable Remuneration

Short-Term Incentive – Combined Reward Plan

Cash

Performance Rights
(1 and 2 years)

Long-Term Incentive – Long-Term Senior Leadership Performance Reward Plan

Performance Rights
(3 years)

The following table provides an overview of the various elements of Executive Remuneration for the financial year ended 30 June 2026. Further details of each element are provided in subsequent sections of this report.

Remuneration Element	**Individual Components**	**Purpose**	**Link to Performance**
Fixed Remuneration	Comprises base salary, superannuation and other benefits.	To provide market competitive fixed remuneration appropriate to the position and competitive in the market, taking into account the individual's skills, experience and qualifications.	Assessed at an individual level based on performance of responsibilities and cultural alignment with the Group's values.
Variable Remuneration – Short-Term Incentive (STI) – Combined Reward Plan	Comprises cash and/or performance rights under the Monadelphous Group Limited Performance Rights Plan Rules.	To recognise and reward senior leaders of the business who contribute to the Group's performance and ensure employee retention and the creation of shareholder wealth through deferred equity ownership.	Awards are made following an annual performance assessment against financial, safety, people, customer satisfaction and strategic progress targets set by the Board. Vesting of performance rights is dependent on continuity of employment.
Variable Remuneration – Long-Term Incentive (LTI) – Long-Term Senior Leadership Performance Reward Plan	Comprises performance rights issued under the Monadelphous Group Limited Performance Rights Plan Rules.	To retain and reward key employees in a manner aligned to the creation of shareholder wealth.	Vesting of awards is dependent on exceeding Earnings Per Share (EPS) growth targets and continuity of employment.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

Certain awards made in prior years under the Employee Option Plan and the one-off Employee Retention Plan, vested during the prior year ended 30 June 2025. The following table provides an overview of these plans.

Remuneration Element	Individual Components	Purpose	Link to Performance
Variable Remuneration – LTI – Employee Option Plan	Comprises options issued under the Monadelphous Group Limited Employee Option Plan.	To retain and reward key employees in a manner aligned to the creation of shareholder wealth.	Vesting of awards is dependent on exceeding EPS growth targets and continuity of employment.
Variable Remuneration – One-off Retention Incentive – Employee Retention Plan	Comprises a one-off issue of Retention Rights granted in the form of performance rights subject to the Monadelphous Group Limited Performance Rights Plan Rules.	Specifically developed to mitigate the effects of the extremely tight labour market. To retain and recognise key employees whose contribution is of critical strategic and operational importance to Monadelphous, enabling them to share in the long-term performance of the Company in a manner which is aligned to the creation of shareholder wealth.	Vesting of awards is dependent on continuity of employment.

5.2 Fixed Remuneration

<u>Objective</u>

Monadelphous has a structured approach aimed at delivering fixed remuneration which is market competitive and rewards performance. The Group participates in a number of respected remuneration surveys, receiving six-monthly market and forecast data, and its remuneration system is designed to analyse detailed market and sector information at various levels.

The level of fixed remuneration is set to provide a base level of remuneration which is both appropriate to the position and competitive in the market, taking into account the individual's skills, experience and qualifications.

Fixed remuneration levels are considered annually by the Remuneration Committee having reviewed an individual's performance, alignment with the Group's values and comparative remuneration levels in the market.

<u>Structure</u>

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including base salary, superannuation and other benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

5.3 Variable Remuneration – STI – Combined Reward Plan

Objective

The objective of the Combined Reward Plan (CR Plan) is to recognise and reward the senior leaders of the business who contribute and are key to the Group's success. The CR Plan is a short-term incentive plan, rewarding the annual performance of both the Group and the employee. A deferred equity component in the award, which is subject to continued employment and disposal restrictions, encourages employee retention and the creation of shareholder value through long-term share ownership, with employee and shareholder alike benefitting from the long-term growth in the share price.

Structure

Under the CR Plan, the Board has the discretion to make awards on an annual basis subject to Group and individual performance. Awards may be delivered in the form of a combination of cash and/or performance rights.

The number of performance rights offered is calculated using the arithmetic average of the ten-day daily volume weighted average market price of the Company's ordinary shares commencing on the second trading day after the record date in respect of the final dividend. This calculation is the same as that used to determine the undiscounted share price for the Dividend Reinvestment Plan.

During the year, a review was undertaken of the structure of the CR Plan to ensure it remains an appropriate short-term incentive for the Group. Market data and peer analysis were considered. In prior years, 75% of the CR Plan award was deferred equity (25% paid upfront in cash), with vesting occurring in equal instalments, one, two and three years after award. The review indicated that equity deferral continues to be an important element of short-term incentives for Australian listed entities. On average this typically represents around 50% of the award with a deferral period of two years. As a result, the Group has adjusted the proportion of the award offered as equity, increased the target and maximum opportunity and reduced the deferral period to more closely align with market practice.

For awards under the CR Plan for the year ended 30 June 2026, the cash component comprises 33%, with deferred equity representing 67%. The performance rights vest into Monadelphous ordinary shares in equal instalments, one and two years after award, subject to the employee remaining continuously employed by the Group between grant and vest date.

No exercise price is payable at the time of grant or vesting of performance rights. Any shares acquired upon vest of performance rights are restricted from disposal until the opening of the Monadelphous share trading window following release of the Group's financial results, two years following award.

Unvested performance rights remain subject to Monadelphous' clawback policy. The Board has the discretion as to the circumstances that would result in a clawback of unvested performance rights and may give consideration to factors including where the employee acts fraudulently or dishonestly or otherwise acts in a manner that causes damage to the Group's reputation, material financial misstatement, significant Group financial underperformance, or there is negligence, lack of compliance or significant personal underperformance on the employee's part.

Performance Requirements

At the beginning of each financial year, the Board sets quantified, challenging, short-term performance targets for the key performance areas of the business, taking into account the prevailing economic conditions for the year ahead, the Group's strategic objectives and the key risk factors facing the business at that time. The targets are designed to focus the activities of the business on the key areas of performance that deliver long-term sustainable growth for shareholders.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

For the year ended 30 June 2026, the Managing Director had a target opportunity of 50% (2025: 40%) of fixed remuneration, and a maximum opportunity of 75% (2025: 60%). Executives had a target opportunity of 40% (2025: 30%) of fixed remuneration, and a maximum opportunity of 60% (2025: 45%). The target opportunity is awarded for achieving the objectives set by the Board at the beginning of each financial year. In order for the maximum opportunity to be awarded, performance must be a clear margin above the planned targets that were set.

At the end of each financial year, the Board assesses the Group's net profit before tax performance against the budgeted target prior to any awards being considered under the CR Plan.

Once the Board has approved that an award can be made under the CR Plan, executive performance is assessed against the relevant targets set at the beginning of the financial year at a Group, division, business unit and individual level. This assessment is taken into account when determining the amount, if any, of the award to be made to each individual under the CR Plan, with annual awards being subject to approval by the Remuneration Committee and Board. The following key performance areas are considered in the assessment process, covering a number of financial and non-financial, Group and divisional measures of performance.

The table below provides an overview of these key performance areas and the weighting applied when assessing performance.

	Earnings Performance		**Other Key Performance Areas**	
	Group Net Profit After Tax[1]	**Divisional Earnings Contribution**	**Group**	**Divisional**
MD	60%	-	40%	-
CFO	60%	-	-	40%
EGM	30%	30%	-	40%

[1] Following the review of the CR Plan during the period, this measure was changed from earnings per share to net profit after tax.

Other key performance areas include:
- Working capital management
- Safety performance
- People performance
- Customer satisfaction
- Strategic progress

Other key performance areas are weighted evenly (i.e. 20% weighting).

The Group regards the performance targets and the actual result as confidential and commercially sensitive in nature and if disclosed, would provide an unfair advantage to competitors.

Awards made under the CR Plan for the year ended 30 June 2026 are outlined in section 7.2.1.

5.4 Variable Remuneration – LTI – Long-Term Senior Leadership Performance Reward Plan

Objective

The objective of the Long-Term Senior Leadership Performance Reward (LTPR) Plan is to retain and reward members of the senior leadership team in a manner aligned with the creation of long-term shareholder wealth by rewarding sustained earnings delivery. The LTPR Plan is the Group's primary long-term employee equity plan, with the Employee Option Plan available for future use as appropriate.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

Structure

Awards under the LTPR Plan are in the form of performance rights and will be considered on an annual basis, with the timing of the awards and the vesting criteria, determined by the Remuneration Committee and Board. Participation in the LTPR Plan is limited to the senior leadership of the business, being those responsible for the development and management of the strategic direction of the Group.

The quantum of the awards made under the LTPR Plan for 2025 and issued during the year ended 30 June 2026 are 60% (2025: 50%) of fixed annual remuneration for the Managing Director and 50% (2025: 40%) of fixed annual remuneration for senior executives.

Performance rights vest three years after grant, subject to the satisfaction of a single Earnings Per Share growth performance hurdle and a continued employment vesting condition for the period from grant to vest. No exercise price is payable at the time of grant or vesting of performance rights. One share will be issued for each vested performance right. Performance is not re-tested and any rights which do not vest will lapse.

Unless otherwise determined by the Board, unvested performance rights will be forfeited if an employee ceases employment with the Group or if the Board determines (acting reasonably and in good faith) that any applicable performance hurdles or vesting conditions have not been met or cannot be met by the relevant date.

Unvested performance rights remain subject to Monadelphous' clawback policy. The Board has the discretion as to the circumstances that would result in a clawback of unvested performance rights and may give consideration to factors including where the employee acts fraudulently or dishonestly or otherwise acts in a manner that causes damage to the Group's reputation, material financial misstatement, significant Group financial underperformance, or there is negligence, lack of compliance or significant personal underperformance on the employee's part.

Performance Requirements

As noted above, performance rights vest three years after grant, subject to the satisfaction of an Earnings Per Share growth performance hurdle and a continued employment vesting condition for the period from grant to vest (measurement period).

The Board has determined that Earnings Per Share growth over the measurement period is the most appropriate and transparent measure of executive effectiveness given Monadelphous' business model and capital structure. This is based on the following:

- The Company's policy is to deliver a dividend payout ratio in the range of 80 to 100 per cent of annual net profit after tax, such that long-term shareholder value is primarily delivered through sustainable earnings.
- Earnings Per Share growth directly underpins dividend capacity and therefore shareholder outcomes.
- Management has a clear line-of-sight to the operational and financial decisions that drive earnings performance.
- Monadelphous has a strong balance sheet, and retention of capital beyond business requirements would not be expected to enhance long-term shareholder value.

Earnings Per Share growth targets are set on an absolute, multi-year basis and are calibrated to be appropriately stretching.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

Although Earnings Per Share growth is the sole performance hurdle, the LTPR Plan is delivered entirely through equity in the form of performance rights, ensuring strong alignment with shareholder experience. There are no cash outcomes under the LTPR Plan and performance rights have no value unless the Earnings Per Share growth target is met and the share price performs. Earnings Per Share growth determines whether performance rights vest, while the share price at vesting determines the value ultimately realised, ensuring executives remain exposed to both earnings delivery and shareholder outcomes.

While total shareholder return (TSR) remains an important indicator of shareholder experience, the Board does not consider TSR to be an effective measure of executive performance at this time as TSR outcomes are materially influenced by external factors such as interest rates, valuations cycles and market sentiment. In a high-payout business, TSR is largely driven by dividend yield and market valuation, rather than incremental management performance over finite measurement periods. The Board considers that the inclusion of TSR as a vesting hurdle would introduce volatility without improving accountability or alignment.

Awards made under the LTPR Plan during the year ended 30 June 2026 and the specific performance requirements for the award are outlined in section 7.3.1.

5.5 Prior Year Plan – Variable Remuneration – LTI – Employee Option Plan

<u>Objective</u>

The objective of the Employee Option Plan is to retain and reward key employees in a manner aligned with the creation of shareholder wealth. As noted above, the LTPR Plan has replaced the Employee Option Plan as the Group's primary long-term employee equity plan.

<u>Structure</u>

Awards under the Employee Option Plan to executives are at the discretion of the Remuneration Committee and Board and are delivered in the form of options. Should any issue of options be considered, the performance rating of each executive and the annual cost to the Group, on an individual basis, is taken into account when determining the amount, if any, of options granted.

In accordance with the terms of the offer and the rules of the Monadelphous Group Limited Employee Option Plan, options can only be exercised in specified window periods (or at the discretion of the Board in particular circumstances) and are subject to the financial performance of the Group during the option vesting period (measurement period). Earnings Per Share growth is used to measure the performance of the Group over the measurement period, as in the opinion of the Board this metric provides the best representation of Group performance on an annual basis and is influenced by executive performance.

In subsequent window periods, performance will be re-tested and any options that were incapable of exercise in earlier window periods will become available for exercise to the extent that EPS performance has 'caught up' and the EPS growth hurdle is met over the longer measurement period. At the end of the final window period, any options remaining that are not capable of exercise, as a result of the performance hurdle not being achieved, will lapse.

There were no awards granted under the Employee Option Plan during the year ended 30 June 2026. The final tranche of the award made under the 2020 Employee Option Plan vested in September 2024.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

5.6 Prior Year Plan – Variable Remuneration – One-off Retention Incentive – Employee Retention Plan

Objective

In response to significantly high industry activity levels which extensively impacted the Group's ability to source and retain talent, the Group implemented the one-off Monadelphous Employee Retention Plan (ER Plan) in December 2021.

The objective of the ER Plan was to act as a retention incentive and to recognise key employees whose sustained contribution was of critical strategic and operational importance to the success of the business, in a manner aligned to the creation of shareholder wealth through equity ownership.

Structure

The ER Plan provided a one-off issue of retention rights to key employees, with vesting subject to continued employment between grant and vest, as well as disposal restrictions attached to resulting shares. It enabled employees critical to the achievement of the Company's strategic objectives to share in the long-term performance of the Company.

Retention rights were allocated under the terms of the Monadelphous Group Limited Employee Retention Plan and were granted in the form of performance rights subject to the Monadelphous Group Limited Performance Rights Plan Rules.

The retention rights vested into Monadelphous ordinary shares in equal instalments, one, two and three years after grant (i.e. 20 December 2022, 20 December 2023 and 20 December 2024), subject to the vesting condition of the employee remaining continuously employed by the Company between grant and vest dates, with one share issued for each vested retention right. Shares acquired upon vesting of retention rights were restricted from disposal until three years from grant on 20 December 2024.

No awards were granted under the ER Plan during the year ended 30 June 2026. The final tranche of the award made in 2021 under the ER Plan vested in December 2024.

REMUNERATION REPORT (AUDITED) (CONTINUED)

6. Group Performance

The table below sets out the earnings and movements in shareholder wealth for the Group for the last five years. Further information has also been provided on page 16 of this report.

	Change 2025 to 2026	**2026**	2025	2024	2023	2022
Profit after income tax expense attributable to equity holders of the parent ($'000)	**+52.1%**	**127,300**	83,721	62,203	53,543	52,219
Basic earnings per share (cents)	**+50.1%**	**127.56**	85.01	64.08	55.85	54.90
Share price as at 30 June ($)	**+76.5%**	**30.99**	17.56	12.84	11.72	9.95
Total dividends (cents per share)	**+50.0%**	**108.00**	72.00	58.00	49.00	49.00

7. 2026 Executive Remuneration Outcomes

7.1 Fixed Remuneration

Refer to Tables at 7.4.1 and 7.4.2 for the fixed remuneration for Executive Key Management Personnel for the financial years ended 30 June 2026 and 30 June 2025. The fixed remuneration component comprises salary and fees, leave (annual and long service leave accrual less annual and long service leave taken), superannuation and non-monetary benefits (life and salary continuance insurance premiums).

7.2 Combined Reward Plan

7.2.1 Performance rights awarded under the Combined Reward Plan for the year ended 30 June 2026

Based on the financial performance of the Group for the year ended 30 June 2026, the Board determined that an award would be made under the 2026 CR Plan with approximately 250 employees eligible for an award, comprising cash and performance rights.

Key elements of the award made under the 2026 CR Plan are outlined in the table below:

	2026 CR Plan Award
Performance Period	1 July 2025 to 30 June 2026
Performance Requirements	Refer to section 5.3.
Performance Outcomes	Refer to table on page 78.
Award Components	▪ 33% cash payment to be paid in August 2026 ▪ 67% to be offered as performance rights in or around October 2026 ▪ The number of performance rights to be offered will be calculated using the arithmetic average of the ten-day daily volume weighted average market price of the Company's ordinary shares commencing on the second trading day after the record date in respect of the FY26 final dividend. This calculation is the same as that used to determine the undiscounted share price for the Dividend Reinvestment Plan.
Vesting Condition	The employee must remain in the employ of the Group between the grant and vesting date (unless the Board determines otherwise).
Vesting Date	It is intended that the performance rights component will vest into shares in equal instalments, on 1 July 2027 and 1 July 2028, with one share issued for each vested performance right.
Disposal Restriction	Resulting shares will be restricted from disposal until the opening of the Monadelphous share trading window following the release of the 30 June 2028 financial results, in or around August 2028.

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2026 Executive Remuneration Outcomes (continued)

The following table provides an overview of the Group and divisional performance for the year ended 30 June 2026 against the key performance areas:

Key Performance Area	FY26 Performance Threshold Target Maximum	Commentary
Earnings Performance		Strong operational performance and economies of scale resulting from growth during the period drove a significant lift in earnings. Net Profit After Tax was $127.3 million, an increase of 52.1 per cent compared to the prior year. EBITDA margin increased to 7.58 per cent, up from 6.98 per cent in the prior year.
Group		
Engineering Construction		
Maintenance & Industrial Services		
Working Capital Management		The cash balance at year end was a strong $293.6 million. Monadelphous generated a healthy cash flow from operations for the period of $245.1 million and a strong cashflow conversion rate of 147.4 per cent.
Group		
Engineering Construction		
Maintenance & Industrial Services		
Safety		Monadelphous' 12-month Total Recordable Injury Frequency Rate at 30 June 2026 improved 19 per cent to 3.57 incidents per million hours worked, following successful campaigns to ensure the safety and wellbeing of its employees during a period of rapid growth. The Group's High Potential Incident Frequency Rate also continued to improve, reaching a historically low level, reflecting a relentless focus on the prevention of fatal risks.
Group		
Engineering Construction		
Maintenance & Industrial Services		
People		Monadelphous' workforce (including subcontractors) at 30 June 2026 totalled a record 9,365 people, a 3 per cent increase on the prior year. An ongoing focus on employee development supported strong key talent retention of 97 per cent.
Group		
Engineering Construction		
Maintenance & Industrial Services		
Customer Satisfaction		Customer satisfaction levels are measured through customer surveys. Customer expectations and performance against competitors were above target. For the year, the survey data consistently showed a high level of customer satisfaction with the quality of services delivered by Monadelphous.
Group		
Engineering Construction		
Maintenance & Industrial Services		
Strategy		Monadelphous secured more than $2.7 billion in new contracts and contract extensions since the beginning of the financial year, and enters the 2027 financial year with a solid pipeline of committed work, an expanded customer base and a broadening capability aligned with long-term industry growth prospects. Monadelphous continues to grow its market position supporting Australia's energy transition. The Company secured a major contract for the construction of the Brigalow Peaking Power Plant which is intended to supply energy to more than 150,000 homes during peak demand, supporting grid reliability and complementing renewable energy. The Company also continued to support Fortescue's decarbonisation activities with battery energy storage system and wind projects. Zenviron, the Company's renewable energy joint venture, experienced high levels of activity strengthening its market position. The Company completed several strategic acquisitions during the year, progressing its markets and growth strategy and enhancing its capability. The Company acquired Kerman Contracting, a Western Australian-based design and construction business specialising in non-process infrastructure, and Australian Power Industry Partners (APIP), a high-voltage electrical contractor servicing utilities, resources and renewable energy customers across multiple states of Australian. In addition to the acquisition of Perth-based high-voltage services business, High Energy Service (HES), completed early in the year.
Group		
Engineering Construction		
Maintenance & Industrial Services		

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2026 Executive Remuneration Outcomes (continued)

The following table sets out the awards under the CR Plan for each executive for the financial years ended 30 June 2026 and 30 June 2025:

Executive	**2026 Total Award $**	2025 Total Award $	**2026 % of Maximum Opportunity Earned**	2025 % of Maximum Opportunity Earned
Z. Bebic	**767,400**	534,300	**97%**	87%
P. Trueman	**404,400**	276,400	**98%**	92%
A. Cook	**440,100**	264,300	**99%**	82%
A. Reid	**414,700**	300,600	**93%**	93%

The performance right component of the award relating to the year ended 30 June 2026, which is to be offered in or around October 2026, is amortised over three years. It is estimated, based on the share price at 30 June 2026, that approximately 43,598 performance rights will be offered to Key Management Personnel under the terms of the 2026 CR Plan (2025: 48,007 performance rights – refer to 7.2.2).

7.2.2 Performance rights granted during the year under the 2025 Combined Reward Plan

Key elements of the award made under the 2025 CR Plan and granted during the year ended 30 June 2026 are outlined in the table below:

	2025 CR Plan Award
Performance Period	1 July 2024 to 30 June 2025
Performance Requirements and Outcomes	Performance requirements for the year ended 30 June 2025 were satisfied, resulting in an award during the year ended 30 June 2026.
Award Components	▪ 25% cash payment paid in August 2025 ▪ 75% performance rights issued in November 2025 ▪ The number of performance rights issued were calculated using the arithmetic average of the ten-day daily volume weighted average market price of the Company's ordinary shares commencing on the second trading day after the record date in respect of the FY25 final dividend, equivalent to the Dividend Reinvestment Plan price which was $21.49.
Vesting Condition	The employee must remain in the employ of the Group between the grant and vesting date (unless the Board determines otherwise).
Vesting Date	The performance rights component for the 2025 award vests into shares in equal instalments, on 1 July 2026, 1 July 2027 and 1 July 2028, with one share issued for each vested performance right.
Disposal Restriction	Resulting shares will be restricted from disposal until the opening of the Monadelphous share trading window following the release of the 30 June 2028 financial results, in or around August 2028.

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2026 Executive Remuneration Outcomes (continued)

Performance rights granted to Key Management Personnel under the 2025 CR Plan during the year ended 30 June 2026 are outlined in the following table.

	Terms and Conditions for Each Grant						
	Granted Number	Grant Date	Fair Value per Right at Grant Date $	Exercise Price per Right $	Expiry Date	First Exercise Date	Last Exercise Date
Executive Directors							
R. Velletri	-	-	-	-	-	-	-
Z. Bebic	18,647	25/11/2025	24.45	Nil	1/7/2028	1/7/2026	1/7/2028
Other Key Management Personnel							
P. Trueman	9,646	15/08/2025	15.35	Nil	1/7/2028	1/7/2026	1/7/2028
A. Cook	9,224	15/08/2025	15.35	Nil	1/7/2028	1/7/2026	1/7/2028
A. Reid	10,490	15/08/2025	15.35	Nil	1/7/2028	1/7/2026	1/7/2028
Total	**48,007**						

7.2.3 Performance rights exercised during the year under the Combined Reward Plan

Shares issued during the year ended 30 June 2026 to Key Management Personnel on vesting and exercise of performance rights representing the third tranche of the award under the terms of the 2022 CR Plan, the second tranche of the award under the terms of the 2023 CR Plan and the first tranche of the award under the terms of the 2024 CR Plan are outlined in the following table.

	Performance Rights Vested	Performance Rights Exercised	Shares Issued	Paid per Share $
Executive Directors				
R. Velletri[1, 2]	9,674	9,674	9,674	Nil
Z. Bebic[1]	20,346	20,346	20,346	Nil
Senior Executives				
P. Trueman[1]	12,166	12,166	12,166	Nil
A. Cook[1]	7,214	7,214	7,214	Nil
A. Reid[1]	10,796	10,796	10,796	Nil
Total	**60,196**	**60,196**	**60,196**	

[1] On 1 July 2025, the date of exercise of the above performance rights, the closing share price was $17.19.
[2] Vesting of performance rights granted to R. Velletri in his previous role as Managing Director.

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2026 Executive Remuneration Outcomes (continued)

Subsequent to year end on 1 July 2026, 55,160 shares were issued to Key Management Personnel on vesting and exercise of performance rights representing the third tranche of the award under the terms of the 2023 CR Plan, the second tranche of the award under the terms of the 2024 CR Plan and the first tranche of the award under the terms of the 2025 CR Plan.

7.3 Long-Term Senior Leadership Performance Reward Plan

7.3.1 Performance rights granted during the year under the Long-Term Senior Leadership Performance Reward Plan

On 3 November 2025, 385,254 performance rights were issued under the LTPR Plan for 2025 to approximately 110 employees, including 50,636 performance rights to Key Management Personnel, with a further 29,538 performance rights issued to the Managing Director on 25 November 2025 following shareholder approval at the Company's AGM.

Key elements of the award made under the LTPR Plan in November 2025 are outlined in the table below:

	2025 LTPR Plan Award
Award Components	100% granted as performance rights on 3 and 25 November 2025
Performance Period	Performance is assessed over a three year period between the financial years ending 30 June 2026 and 30 June 2028 (measurement period).
Performance Requirement	▪ EPS growth is used to measure the financial performance of the Group over the measurement period. ▪ For 100 per cent of the performance rights to vest, EPS growth of at least 8 per cent per annum (compounded over the measurement period) is required. ▪ If EPS growth is 4 per cent per annum (compounded over the measurement period), 50 per cent of the performance rights will vest. ▪ If EPS growth is between 4 and 8 per cent per annum (compounded over the measurement period), a pro-rata number of performance rights will vest. ▪ No performance rights will vest if EPS growth is less than 4 per cent per annum (compounded over the measurement period). ▪ Unless the Board determines otherwise, any performance rights that do not vest as a result of the performance hurdle not being satisfied will be forfeited.
Vesting Condition	The employee must remain in the employ of the Group between the grant and vesting date (unless the Board determines otherwise).
Vesting Date	Performance rights will vest three years after grant on 3 November 2028, subject to the financial performance of the Group over the measurement period and continued employment vesting condition.

7.3.2 Performance rights exercised during the year under the Long-Term Senior Leadership Performance Reward Plan

There were no performance rights exercised under the Long-Term Senior Leadership Performance Reward Plan during the year ended 30 June 2026.

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2026 Executive Remuneration Outcomes (continued)

Performance rights granted to Key Management Personnel under the Long-Term Senior Leadership Performance Reward Plan during the year ended 30 June 2026 are outlined in the following table.

	Terms and Conditions for Each Grant						
	Granted Number	Grant Date	Fair Value per Right at Grant Date $	Exercise Price per Right $	Expiry Date	First Exercise Date	Last Exercise Date
Executive Directors							
R. Velletri	-	-	-	-	-	-	-
Z. Bebic	29,538	25/11/2025	24.79	Nil	3/11/2028	3/11/2028	3/11/2028
Other Key Management Personnel							
P. Trueman	16,048	2/10/2025	20.81	Nil	3/11/2028	3/11/2028	3/11/2028
A. Cook	17,294	2/10/2025	20.81	Nil	3/11/2028	3/11/2028	3/11/2028
A. Reid	17,294	2/10/2025	20.81	Nil	3/11/2028	3/11/2028	3/11/2028
Total	**80,174**						

The performance rights are being amortised over three years.

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2026 Executive Remuneration Outcomes (continued)

7.4 Executive Statutory Remuneration Disclosures

7.4.1 Remuneration for the year ended 30 June 2026

	Short-Term Benefits				Post Employment	Long-Term Benefits	Share-Based Payments [3]	Total	Total Perform-ance Related	Total Rights Related
	Salary & Fees $	Leave [1] $	Non-Monetary [2] $	Cash Award $	Super-annuation $	Leave[1] $	Rights $	$	%	%
Executive Directors										
R. Velletri	713,000	23,898	-	-	30,000	(134,198)	-	632,700	-	-
Z. Bebic	1,008,500	(5,546)	19,470	255,800	30,000	43,264	885,847	2,237,335	51.03	39.59
Subtotal Executive Directors	**1,721,500**	**18,352**	**19,470**	**255,800**	**60,000**	**(90,934)**	**885,847**	**2,870,035**	**39.78**	**30.87**
Other Key Management Personnel										
P. Trueman	647,500	(19,126)	12,250	134,800	30,000	16,815	419,147	1,241,386	44.62	33.76
A. Cook	700,000	(21,331)	13,300	146,700	30,000	15,534	438,440	1,322,643	44.24	33.15
A. Reid	700,000	22,544	13,300	138,233	30,000	(39,305)	446,688	1,311,460	44.60	34.06
Subtotal Other Key Management Personnel	**2,047,500**	**(17,913)**	**38,850**	**419,733**	**90,000**	**(6,956)**	**1,304,275**	**3,875,489**	**44.48**	**33.65**
Total Executive Key Management Personnel	**3,769,000**	**439**	**58,320**	**675,533**	**150,000**	**(97,890)**	**2,190,122**	**6,745,524**	**42.48**	**32.47**

[1] Leave reflects annual and long service leave accrual less annual and long service leave taken.
[2] Non-monetary benefits consist of Life and Salary Continuance insurance premiums.
[3] Relates to the 2023, 2024, 2025 and 2026 awards under the CR Plan and 2023, 2024 and 2025 awards under the LTPR Plan.

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2026 Executive Remuneration Outcomes (continued)

7.4.2 Remuneration for the year ended 30 June 2025

	Short-Term Benefits				Post Employment	Long-Term Benefits	Share-Based Payments [3]	Total	Total Perform-ance Related	Total Rights and Options Related
	Salary & Fees $	Leave [1] $	Non-Monetary [2] $	Cash Award $	Super-annuation $	Leave[1] $	Rights and Options $	$	%	%
Executive Directors										
R. Velletri	688,068	30,498	-	-	29,932	(245,546)	80,648	583,600	13.82	13.82
Z. Bebic	975,000	(13,442)	18,800	133,575	29,932	51,370	582,616	1,777,851	40.28	32.76
Subtotal Executive Directors	**1,663,068**	**17,056**	**18,800**	**133,575**	**59,864**	**(194,176)**	**663,264**	**2,361,451**	**33.74**	**28.09**
Other Key Management Personnel										
P. Trueman	625,000	10,537	11,800	69,100	29,932	(24,826)	312,288	1,033,831	36.89	30.21
A. Cook	677,500	4,670	12,850	66,075	29,932	14,784	278,810	1,084,621	31.80	25.71
A. Reid	677,500	1,296	12,850	75,150	29,932	19,096	320,492	1,136,315	34.82	28.20
Subtotal Other Key Management Personnel	**1,980,000**	**16,503**	**37,500**	**210,325**	**89,796**	**9,054**	**911,590**	**3,254,767**	**34.47**	**28.01**
Total Executive Key Management Personnel	**3,643,068**	**33,559**	**56,300**	**343,900**	**149,660**	**(185,122)**	**1,574,854**	**5,616,218**	**34.16**	**28.04**

[1] Leave reflects annual and long service leave accrual less annual and long service leave taken.
[2] Non-monetary benefits consist of Life and Salary Continuance insurance premiums.
[3] Relates to the 2022, 2023, 2024 and 2025 awards under the CR Plan, 2020 award under the Option Plan, 2021 award under the ER Plan, and 2023 and 2024 awards under the LTPR Plan.

REMUNERATION REPORT (AUDITED) (CONTINUED)

8. Non-Executive Director Remuneration

8.1 Overview

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The most recent determination was at the Annual General Meeting held on 19 November 2019 when shareholders approved an aggregate remuneration of $850,000 in the 'not to exceed sum' paid to non-executive directors.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Remuneration Committee and Board consider the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive director fees consist of base fees and committee chair fees. The Deputy Chair/Lead Independent Non-executive Director also receives an additional fee. The payment of committee chair fees recognises the additional time commitment required by non-executive directors to chair the Board committees. Committee members do not receive a separate fee for sitting on a committee.

8.2 Fees and Other Benefits

The table below summarises Board and Committee fees payable to non-executive directors for the financial year ended 30 June 2026 (inclusive of superannuation):

Board / Committee Chair Fees	$
Non-executive Director fee	144,500
Board Deputy Chair/Lead Independent Non-executive Director & Chair of Remuneration Committee additional fee	22,500
Chair of Audit Committee additional fee	17,500

Note, the Nomination Committee is chaired by the Executive Chair and there is no additional fee.

REMUNERATION REPORT (AUDITED) (CONTINUED)

8. Non-Executive Director Remuneration (continued)

8.3 Non-Executive Director Statutory Remuneration Disclosures

8.3.1 Remuneration for the year ended 30 June 2026

	Short-Term Benefits		
	Salary & Fees $	Superannuation $	Total $
Non- Executive Directors			
S. L. Murphy	149,107	17,893	167,000
D. R. Voss	129,018	15,482	144,500
H. J. Gillies	144,643	17,357	162,000
E. P. Buratto	129,018	15,482	144,500
Total Non-Executive Directors	**551,786**	**66,214**	**618,000**

8.3.2 Remuneration for the year ended 30 June 2025

	Short-Term Benefits		
	Salary & Fees $	Superannuation $	Total $
Non- Executive Directors			
S. L. Murphy	143,049	16,451	159,500
D. R. Voss	125,112	14,388	139,500
H. J. Gillies	138,565	15,935	154,500
E. P. Buratto	125,112	14,388	139,500
Total Non-Executive Directors	**531,838**	**61,162**	**593,000**

REMUNERATION REPORT (AUDITED) (CONTINUED)

9. Additional Statutory Disclosures

9.1 Additional disclosures relating to rights and shares

9.1.1 Combined Reward Plan Performance Rights holdings of Key Management Personnel

CR Plan Performance Rights held in Monadelphous Group Limited	Balance at Beginning of Period 1 July 2025	Granted as Remuneration [1]	Rights Exercised and Lapsed [2]	Net Change Other	Balance at End of Period 30 June 2026
Executive Directors					
R. Velletri[3]	9,674	-	(9,674)	-	-
Z. Bebic	45,555	18,647	(20,346)	-	43,856
Senior Executives					
P. Trueman	25,095	9,646	(12,166)	-	22,575
A. Cook	18,515	9,224	(7,214)	-	20,525
A. Reid	24,164	10,490	(10,796)	-	23,858
Total	**123,003**	**48,007**	**(60,196)**	**-**	**110,814**

[1] Performance rights under the 2025 CR Plan granted during the year ended 30 June 2026.
[2] Performance rights vested and exercised under the terms of the 2022, 2023 and 2024 CR Plans.
[3] Performance rights granted to R. Velletri in his previous role as Managing Director.

9.1.2 Long-Term Senior Leadership Performance Reward Plan Performance Rights holdings of Key Management Personnel

LTPR Plan Performance Rights held in Monadelphous Group Limited	Balance at Beginning of Period 1 July 2025	Granted as Remuneration	Rights Exercised and Lapsed	Net Change Other	Balance at End of Period 30 June 2026
Executive Directors					
R. Velletri	-	-	-	-	-
Z. Bebic	76,156	29,538	-	-	105,694
Senior Executives					
P. Trueman	39,778	16,048	-	-	55,826
A. Cook	43,037	17,294	-	-	60,331
A. Reid	43,037	17,294	-	-	60,331
Total	**202,008**	**80,174**	**-**	**-**	**282,182**

REMUNERATION REPORT (AUDITED) (CONTINUED)

9. Additional Statutory Disclosures (continued)

9.1.3 Shareholdings of Key Management Personnel

Shares held in Monadelphous Group Limited	Balance at Beginning of Period 1 July 2025	Granted as Remuneration	On Exercise of Performance Rights	Net Change Other	Balance at End of Period 30 June 2026
Non-Executive Directors					
S. L. Murphy	14,137	-	-	515	14,652
D. R. Voss	72,659	-	-	-	72,659
H. J. Gillies	10,476	-	-	381	10,857
E. P. Buratto	7,330	-	-	-	7,330
Executive Directors					
R. Velletri	2,292,352	-	9,674	-	2,302,026
Z. Bebic	139,819	-	20,346	-	160,165
Senior Executives					
P. Trueman	56,400	-	12,166	(41,828)	26,738
A. Cook	3,279	-	7,214	113	10,606
A. Reid	9,103	-	10,796	(8,853)	11,046
Total	**2,605,555**	**-**	**60,196**	**(49,672)**	**2,616,079**

9.2 Other Statutory Disclosures

9.2.1 Loans to Key Management Personnel and their related parties

No directors or senior executives, or their related parties, had any loans during the reporting period.

9.2.2 Other transactions and balances with Key Management Personnel and their related parties

During the year, a key management personnel entered into an arm's length transaction in a personal capacity with a wholly owned subsidiary of the Company, to the value of $19,550. There is no outstanding balance on this transaction at 30 June 2026. The transaction was pre-approved in line with the Company's policy.

END OF REMUNERATION REPORT

Signed in accordance with a resolution of the directors.

Robert Velletri
Chair
Perth, 24 August 2026

Shape the future
with confidence

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Auditor's independence declaration to the directors of Monadelphous Group Limited

As lead auditor for the audit of the financial report of Monadelphous Group Limited and for the review of the selective sustainability information in the sustainability report for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of *the Corporations Act 2001* in relation to the audit and review;

b. No contraventions of any applicable code of professional conduct in relation to the audit and review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

This declaration is in respect of Monadelphous Group Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
24 August 2026

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Independent auditor's report to the members of Monadelphous Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Monadelphous Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, 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:

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

b. 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 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

Shape the future with confidence

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Recognition of revenues and profits on long-term contracts

Why significant	How our audit addressed the key audit matter
The Group's business involves entering into contractual relationships with customers to provide a range of services. A significant proportion of the Group's revenues and profits are derived from long-term contracts. Revenue recognition involves a significant degree of judgement, with estimates being made to: ▪ Determine the transaction price under the customer contract ▪ Assess the total contract costs ▪ Measure the Group's progress towards the complete satisfaction of the performance obligations under the customer contract ▪ Appropriately provide for onerous contracts. The Group's accounting policies and disclosures for revenue are detailed in the financial report as follows: *General Information – Key Judgements and Estimates – Accounting for contracts with customers and, Revenue and Contract claims and disputes.* The Group's significant contract related balances that involve significant judgement are disclosed in the financial report as follows: ▪ *Note 1 – Revenue and Other Income – Revenue from contracts with customers* ▪ *Note 6 – Trade and Other Receivables - Other debtors)* ▪ *Note 7 – Contract Assets, and* ▪ *Note 12 – Trade and Other Payables - Contract liabilities* Given the significance of revenue and profits from long term contracts to the Group's financial results as well as the high degree of judgement and estimation involved in determining these amounts, we consider this a key audit matter.	We examined a sample of key contracts and held discussions with Group executives to understand the specific terms and risks of those contracts in order to assess the revenue recognition policies adopted by the Group. We assessed the operating effectiveness of controls over revenue recognised in the financial report, including controls relating to: ▪ Contract reviews performed by the Group that included estimating total contract revenue and costs, the stage of completion of contracts and contract profitability, including consideration of historical estimation accuracy ▪ Revenue recording and billing processes ▪ Contract cost recording processes including the purchases, payments and payroll processes. For a sample of contracts in progress at 30 June 2026, we performed the following additional procedures: ▪ Understood the performance and status of the contracts through enquiries with the key executives with oversight over the various contract portfolios ▪ Assessed the contract status through the examination of external evidence, such as approved variations, approved customer claims for work performed and customer correspondence ▪ Assessed contract liabilities through the examination of customer advances and customer correspondence ▪ For projects with known disputes, we sighted claim documentation, met with the Group's internal or external General Counsel and reviewed supporting documentation in relation to the status, entitlement, obligations and disclosure of these matters.

Why significant	How our audit addressed the key audit matter
	We assessed the provisions for onerous contracts and whether these appropriately reflected the expected contractual positions. We assessed the Group's accounting policies and the adequacy of its related disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2026 annual report other than the financial report and our auditor's report thereon. We obtained the Directors' Report, Chair's Report, Company Performance, Governance and Risk Management and Sustainability Report that are to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon in this auditor's report, with the exception of the Remuneration Report and our related assurance opinion. We have issued a separate auditor's report on selective sustainability information included in the Sustainability Report.

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 on the other information obtained prior to the date of this auditor's report, 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:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- 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:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Monadelphous Group 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.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
24 August 2026

In accordance with a resolution of the Directors of Monadelphous Group Limited, I state that:

1) In the opinion of the directors:

(a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

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

(ii) complying with Accounting Standards and *Corporations Regulations 2001*;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed on page 102; and

(d) the consolidated entity disclosure statement required by section 295 (3A) of the *Corporations Act 2001* is true and correct.

2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2026.

3) In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in note 20 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

On behalf of the Board

Robert Velletri
Chair
Perth, 24 August 2026

	Notes	**2026 $'000**	2025 $'000
Continuing Operations			
REVENUE	1	**2,796,117**	2,162,571
Cost of services rendered		**(2,565,920)**	(1,999,440)
GROSS PROFIT		**230,197**	163,131
Other income	1	**8,721**	12,359
Business development and tender expenses		**(21,389)**	(18,886)
Occupancy expenses		**(3,409)**	(3,555)
Administrative expenses		**(46,708)**	(37,452)
Finance costs	2	**(3,536)**	(3,792)
Share of profit from joint ventures	11	**16,036**	7,335
PROFIT BEFORE INCOME TAX		**179,912**	119,140
Income tax expense	3	**(52,612)**	(35,393)
PROFIT AFTER INCOME TAX		**127,300**	83,747
ATTRIBUTABLE TO			
EQUITY HOLDERS OF THE PARENT		**127,300**	83,721
NON-CONTROLLING INTERESTS		**-**	26
		127,300	83,747
Basic earnings per share (cents per share)	4	**127.56**	85.01
Diluted earnings per share (cents per share)	4	**126.09**	84.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	2026 $'000	2025 $'000
NET PROFIT FOR THE YEAR	**127,300**	83,747
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation	**(2,114)**	(1,017)
Items that have been reclassified to profit or loss:		
Foreign currency translation	**-**	34
OTHER COMPREHENSIVE (LOSS) FOR THE YEAR, NET OF TAX	**(2,114)**	(983)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**125,186**	82,764
ATTRIBUTABLE TO		
EQUITY HOLDERS OF THE PARENT	**125,186**	82,738
NON-CONTROLLING INTERESTS	**-**	26
	125,186	82,764

MONADELPHOUS GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $'000	2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	5	**293,642**	205,829
Trade and other receivables	6	**554,899**	481,445
Contract assets	7	**7,803**	8,962
Inventories	8	**2,037**	1,998
Total current assets		**858,381**	698,234
Non-current assets			
Other receivables	6	**917**	-
Contract assets	7	**13,927**	14,077
Property, plant and equipment	9	**241,498**	215,717
Intangible assets and goodwill	10	**39,941**	17,423
Investment in joint ventures	11	**26,097**	17,311
Deferred tax assets	3	**50,688**	42,468
Total non-current assets		**373,068**	306,996
TOTAL ASSETS		**1,231,449**	1,005,230
LIABILITIES			
Current liabilities			
Trade and other payables	12	**419,867**	289,262
Interest bearing loans and borrowings	13	**-**	4,272
Lease liabilities	14	**25,024**	21,084
Income tax payable	3	**17,504**	23,052
Provisions	15	**141,309**	105,732
Total current liabilities		**603,704**	443,402
Non-current liabilities			
Interest bearing loans and borrowings	13	**-**	2,093
Lease liabilities	14	**46,970**	52,849
Provisions	15	**9,629**	9,050
Other payables		**2,097**	-
Total non-current liabilities		**58,696**	63,992
TOTAL LIABILITIES		**662,400**	507,394
NET ASSETS		**569,049**	497,836
EQUITY			
Contributed equity	18	**168,829**	150,120
Reserves	19	**80,081**	67,126
Retained earnings	19	**320,139**	280,590
TOTAL EQUITY		**569,049**	497,836

MONADELPHOUS GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Attributable to equity holders							
	Issued Capital $'000	**Share-Based Payment Reserve $'000**	**Foreign Currency Translation Reserve $'000**	**Retained Earnings $'000**	**Non-Controlling Interests $'000**	**Fair Value Reserve for Financial Assets $'000**	**Equity Reserve $'000**	**Total $'000**
At 1 July 2025	150,120	74,615	(5,873)	280,590	-	2,856	(4,472)	497,836
Other comprehensive loss	**-**	**-**	**(2,114)**	**-**	**-**	**-**	**-**	**(2,114)**
Profit for the period	**-**	**-**	**-**	**127,300**	**-**	**-**	**-**	**127,300**
Total comprehensive income for the period	**-**	**-**	**(2,114)**	**127,300**	**-**	**-**	**-**	**125,186**
Transactions with owners in their capacity as owners								
Shares issued on acquisition of subsidiary	**14,657**	**-**	**-**	**-**	**-**	**-**	**-**	**14,657**
Share-based payments	**-**	**10,063**	**-**	**-**	**-**	**-**	**-**	**10,063**
Adjustment to deferred tax asset recognised on share based payments	**-**	**5,006**	**-**	**-**	**-**	**-**	**-**	**5,006**
Dividend reinvestment plan	**4,052**	**-**	**-**	**-**	**-**	**-**	**-**	**4,052**
Dividends paid	**-**	**-**	**-**	**(87,732)**	**-**	**-**	**-**	**(87,732)**
Other	**-**	**-**	**-**	**(19)**	**-**	**-**	**-**	**(19)**
At 30 June 2026	**168,829**	**89,684**	**(7,987)**	**320,139**	**-**	**2,856**	**(4,472)**	**569,049**

	Attributable to equity holders							
	Issued Capital $'000	**Share-Based Payment Reserve $'000**	**Foreign Currency Translation Reserve $'000**	**Retained Earnings $'000**	**Non-controlling Interests $'000**	**Fair Value Reserve for Financial Assets $'000**	**Equity Reserve $'000**	**Total $'000**
At 1 July 2024	145,781	64,630	(4,890)	261,866	-	2,856	(4,649)	465,594
Other comprehensive loss	-	-	(983)	-	-	-	-	(983)
Profit for the period	-	-	-	83,721	26	-	-	83,747
Total comprehensive income for the period	-	-	(983)	83,721	26	-	-	82,764
Transactions with owners in their capacity as owners								
Reclassification of non-controlling interest to liabilities	-	-	-	-	(26)	-	26	-
Remeasurement of financial liability	-	-	-	-	-	-	151	151
Exercise of employee options	465	-	-	-	-	-	-	465
Share-based payments	-	8,311	-	-	-	-	-	8,311
Adjustment to deferred tax asset recognised on share based payment	-	1,674	-	-	-	-	-	1,674
Dividend reinvestment plan	3,874	-	-	-	-	-	-	3,874
Dividends paid	-	-	-	(64,997)	-	-	-	(64,997)
At 30 June 2025	150,120	74,615	(5,873)	280,590	-	2,856	(4,472)	497,836

	Notes	**2026 $'000**	2025 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		**3,102,139**	2,226,858
Payments to suppliers and employees (inclusive of GST)		**(2,810,845)**	(2,124,108)
Interest received		**9,312**	9,415
Finance costs paid		**(3,536)**	(3,792)
Other income		**3,684**	9,403
Income tax paid		**(62,913)**	(39,102)
Dividends received		**7,250**	2,365
NET CASH FLOWS FROM OPERATING ACTIVITIES	5	**245,091**	81,039
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**6,068**	3,807
Purchase of property, plant and equipment		**(38,547)**	(13,879)
Proceeds from sale of controlled entities		**-**	667
Acquisition of controlled entities, net of cash acquired		**(6,765)**	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(39,244)**	(9,405)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(83,680)**	(61,122)
Proceeds from issue of shares on exercise of options		**-**	465
Repayment of borrowings		**(6,365)**	(4,530)
Payment of principal portion of hire purchase liabilities		**(14,651)**	(15,397)
Payment of principal portion of other lease liabilities		**(9,494)**	(9,288)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(114,190)**	(89,872)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**91,657**	(18,238)
Net foreign exchange differences		**(3,844)**	(1,797)
Cash and cash equivalents at beginning of year		**205,829**	225,864
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	**293,642**	205,829

GENERAL INFORMATION

The consolidated financial report of Monadelphous Group Limited (the Group) and its subsidiaries for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of directors on 24 August 2026.

Monadelphous Group Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's registered office is 59 Albany Highway, Victoria Park, Western Australia.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Basis of preparation

The financial report is a general purpose financial report, which:

- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity.
- has also been prepared on a historical cost basis except for certain financial assets that have been measured at fair value.
- is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. The Company is an entity to which the legislative instrument applies.
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 July 2025 (refer to note 32).
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control.

A list of controlled entities (subsidiaries) at year end is contained in note 20. Consolidation of the subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a debit balance.

GENERAL INFORMATION (continued)

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer. Acquisition-related costs are expensed as incurred.

Foreign currency translation

Functional and presentation currency

Each entity in the Group determines its own functional currency. Both the functional and presentation currencies of Monadelphous Group Limited are Australian dollars (A$).

For each entity, the Group determines the functional currency and items included are measured using the functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Translation of Group companies' functional currency to presentation currency

As at the reporting date the assets and liabilities of the foreign operations are translated into the presentation currency of Monadelphous Group Limited at the rate of exchange ruling at the reporting date and the income statements are translated at the weighted average exchange rates for the year. Exchange variations arising from the translation are recognised in the foreign currency translation reserve in equity.

Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements or at note 32.

GENERAL INFORMATION (continued)

Key judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Management have identified the following critical accounting policies for which significant judgements, estimates and assumptions are made:

Accounting for contracts with customers

The Group accounts for construction contracts in accordance with AASB 15 Revenue from Contracts with Customers.

Accounting for construction contracts involves the continuous use of estimates based on a number of detailed assumptions. Construction contracts can span accounting periods, requiring estimates and assumptions to be updated on a regular basis.

Accounting estimates resulting from judgements in relation to individual projects may be materially different to actual results due to the size, scale and complexity of projects.

Revenue

Where performance obligations are satisfied over time, revenue is recognised in the consolidated income statement by reference to the progress towards complete satisfaction of each performance obligation.

For construction contracts, revenue is recognised using an output method based on work certified to date which the Group believes depicts the transfer of goods and services as it is based on completed work as agreed by our customers.

Fundamental to this calculation is a reliable estimate of the transaction price (total contract revenue). In determining the transaction price, variable consideration including claims and certain contract variations are only included to the extent it is highly probable that a significant reversal in revenue will not occur in the future. Where a variation in scope has been agreed with the customer but the corresponding change in the transaction price has not been agreed the variation is accounted for as variable consideration. The estimate of variable consideration is determined using the expected value approach taking into account the facts and circumstances of each individual contract and the historical experience of the Group and is reassessed throughout the life of the contract.

There are a number of factors considered in assessing variable consideration including status of negotiations with the customer, outcomes of previous negotiations and legal evidence that provides a basis for entitlement.

Forecast Costs

Forecast costs to complete construction contracts are regularly updated and are based on costs expected to be incurred when the related activity is undertaken. Key assumptions regarding costs to complete contracts include estimation of labour costs, technical costs, impact of delays and productivity.

Construction contracts may incur additional costs in excess of original cost estimates. Liability for such costs may rest with the customer if considered to be a change to the original scope of works. Any additional contractual obligations, including liquidated damages, are also assessed to the extent these are due and payable under the contract.

When it is considered probable that total contract costs will exceed total contract revenue, the contract is considered onerous and the present obligation under the contract is recognised immediately as a provision.

GENERAL INFORMATION (continued)

Key judgements and estimates (continued)

Contract claims and disputes

Claims arising out of construction contracts may be made by or against the Group in the ordinary course of business, some of which may involve litigation or arbitration.

Estimates and assumptions regarding the likely outcome of these claims are made and recognised in the carrying value of contract assets and liabilities. In making these estimates and assumptions, legal opinions are obtained as appropriate.

The Directors do not consider the outcome of these claims to have a material adverse effect on the financial position of the Group, however uncertainty remains until the final outcome is determined.

Taxation

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised in the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustments, resulting in a corresponding credit or charge to the income statement.

Impairment

Refer to notes 9 and 10 for details.

Workers' Compensation

Refer note 15 for details.

Determination of the lease term of contracts with renewal options

Refer to note 14 for details.

	2026 **$'000**	2025 $'000

1. REVENUE AND OTHER INCOME

	2026 $'000	2025 $'000
Revenue from contracts with customers		
Services revenue	**1,615,047**	1,346,402
Construction revenue	**1,171,758**	806,754
	2,786,805	2,153,156
Finance revenue	**9,312**	9,415
	2,796,117	2,162,571
Net gains on disposal of property, plant and equipment	**5,037**	2,956
Other income	**3,684**	9,403
	8,721	12,359
Disaggregation of revenue from contracts with customers by end customer industry:		
Energy and renewable energy	**1,305,523**	854,683
Iron ore	**943,821**	577,357
Energy transition metals and other minerals	**579,722**	742,766
Infrastructure	**151,008**	91,069
	2,980,074	2,265,875
Less share of revenue from joint ventures accounted for using the equity method	**(193,269)**	(112,719)
	2,786,805	2,153,156
The following amounts are included in revenue from contracts with customers:		
Revenue recognised as a contract liability in the prior period	**22,128**	41,359
Revenue from performance obligations satisfied in prior periods	**8,871**	-

Unsatisfied Performance Obligations

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

	2026 $'000	2025 $'000
Services revenue	**2,197,388**	2,085,758
Construction revenue	**1,166,260**	570,947
Total	**3,363,648**	2,656,705

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

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

Services	1 to 5 years
Construction	1 to 2 years

1. REVENUE AND OTHER INCOME (continued)

Recognition and measurement

Revenue from contracts with customers

The Group is in the business of providing construction and maintenance services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Construction services

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

Work is performed on assets that are controlled by the customer or on assets that have no alternative use to the Group, with the Group having right to payment for performance to date. As performance obligations are satisfied over time, revenue is recognised over time using an output method based on work certified to date.

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

Services contracts

Contracts for performance of maintenance activities cover servicing of assets and involve various activities. These activities tend to be substantially the same with the same pattern of consumption by the customer. Where this is the case, which is the majority of the services contracts, these services are taken to be one performance obligation and the total transaction price is allocated to the performance obligation identified.

Performance obligations are fulfilled over time as the Group largely performs maintenance over the assets which the customer controls. Customers are typically invoiced monthly for an amount that is calculated on either a schedule of rates or a cost plus basis. For these contracts, the transaction price is determined as an estimate of this variable consideration.

Variable consideration

If the consideration in the contract includes a variable amount, the Group estimates the amount of the consideration to which it is entitled in exchange for transferring the goods and services to the customer. The Group includes some or all of this variable consideration in the transaction price only to the extent it is highly probable that a significant reversal of the cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Certain contracts are subject to claims which are enforceable under the contract. If the claim does not result in any additional goods or services, the transaction price is updated and the claim accounted for as variable consideration.

Significant financing component

Using the practical expedient in AASB 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

	2026 $'000	2025 $'000

2. EXPENSES

Finance costs

Finance charges	**2,257**	2,570
Interest on other lease liabilities	**1,279**	1,222
	3,536	3,792

Depreciation and amortisation

Depreciation expense of owned property, plant and equipment	**26,805**	24,048
Depreciation expense of right of use hire purchase assets	**9,781**	10,186
Depreciation expense of right of use assets	**8,347**	8,097
Amortisation of intangibles	**2,047**	820
	46,980	43,151

Employee benefits expense

Employee benefits expense	**1,385,243**	1,115,930
Defined contribution superannuation expense	**136,542**	103,080
	1,521,785	1,219,010

Lease payments and other expenses

Expense relating to short-term leases and low value leases (included in cost of sales)	**3,944**	3,076

Recognition and measurement

Finance costs

The Group does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with the qualifying assets would be capitalised. All other finance costs are expensed as incurred.

Depreciation and amortisation

Refer to notes 9 and 10 for details on depreciation and amortisation.

Employee benefits expense

Refer to note 15 for employee benefits expense and note 27 for share-based payments expense.

Contributions to defined contribution superannuation plans are recognised as an expense as they become payable.

Lease payments

Refer to note 14 for details on lease payments.

3. INCOME TAX

The major components of income tax expense are:

	2026 $'000	2025 $'000
Income statement		
Current income tax		
Current income tax charge	**57,610**	43,331
Adjustments in respect of previous years	**205**	250
Deferred income tax		
Temporary differences	**(5,203)**	(8,188)
Income tax expense reported in the income statement	**52,612**	35,393
Amounts credited directly to equity		
Share based payment	**(5,006)**	(1,674)
Income tax expense reported in equity	**(5,006)**	(1,674)

Tax reconciliation

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

	2026 $'000	2025 $'000
Accounting profit before income tax	**179,912**	119,140
Income tax rate of 30% (2025: 30%)	**53,974**	35,742
- Withholding tax	**-**	452
- Impact of share of profit from joint ventures	**(4,811)**	(2,200)
- Other	**3,449**	1,399
Aggregate income tax expense	**52,612**	35,393

3. INCOME TAX (continued)

	2026 $'000 Current Income Tax	2026 $'000 Deferred Income Tax	2025 $'000 Current Income Tax	2025 $'000 Deferred Income Tax
Recognised deferred tax assets and liabilities				
Opening balance	(23,052)	42,468	(18,613)	32,364
Charged to income	**(57,815)**	**5,203**	(43,581)	8,188
Charged to equity	**-**	**5,006**	-	1,674
Acquisitions	**329**	**(2,102)**	-	303
Other / payments	**63,034**	**113**	39,142	(61)
Closing balance	**(17,504)**	**50,688**	(23,052)	42,468
Amounts recognised on the consolidated statement of financial position:				
Deferred tax assets		**50,688**		42,468
		50,688		42,468

	2026 $'000	2025 $'000
Deferred income tax at 30 June relates to the following:		
Deferred tax assets		
Employee provisions	**50,645**	38,475
Provisions for doubtful debts	**1,365**	1,118
Other provisions	**9,587**	9,216
Lease liabilities	**9,318**	11,501
Tax losses	**-**	519
Other	**121**	34
Gross deferred tax assets	**71,036**	60,863
Set-off of deferred tax liabilities	**(20,348)**	(18,395)
Net deferred tax assets	**50,688**	42,468
Deferred tax liabilities		
Accelerated depreciation	**(10,638)**	(9,590)
Right of use assets	**(6,796)**	(8,635)
Intangibles	**(2,494)**	-
Other	**(420)**	(170)
Gross deferred tax liabilities	**(20,348)**	(18,395)
Set-off against deferred tax assets	**20,348**	18,395
Net deferred tax liabilities	**-**	-

Unrecognised temporary differences

At 30 June 2026, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries (2025: no unrecognised temporary differences).

3. INCOME TAX (continued)

Tax consolidation

Monadelphous Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2003. Members of the tax consolidated group have entered into a tax funding agreement. The head entity, Monadelphous Group Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Monadelphous Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

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 Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Pillar Two legislation

The Group is within the scope of the OECD Pillar Two model rules, and it applies the AASB 112 Income Taxes exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Australian Pillar Two legislation was effective for the Group's financial year ended 30 June 2026 and the Group is satisfied it meets the transitional safe harbour measures in all jurisdictions in which it operates. On this basis, the Group has not recognised any Pillar Two tax expense for the year ended 30 June 2026.

Recognition and measurement

Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred taxes

Deferred income tax is provided for using the full liability balance sheet approach.

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists and they relate to the same taxable entity and the same taxation authority.

	2026 $'000	2025 $'000

4. EARNINGS PER SHARE

The following reflects the income and share data used in the calculation of basic and diluted earnings per share:

Net profit attributable to ordinary equity holders of the parent	**127,300**	83,721
Earnings used in calculation of basic and diluted earnings per share	**127,300**	83,721

	Number	Number
Number of shares		
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	**99,794,983**	98,482,956
Effect of dilutive securities		
Rights and options	**1,167,656**	1,064,432
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**100,962,639**	99,547,388

Conversions, calls, subscriptions or issues after 30 June 2026:

On 1 July 2026, 429,648 performance rights vested and were exercised.

Calculation of earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members of the parent, adjusted for:
- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

	2026 $'000	2025 $'000

5. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:

Cash balances comprise:		
Cash at bank	**273,413**	199,864
Short-term deposits	**20,229**	5,965
	293,642	205,829

Reconciliation of net profit after tax to the net cash flows from operating activities

Net profit	**127,300**	83,747
Adjustments for		
Depreciation of non-current assets	**44,933**	42,331
Amortisation of intangibles	**2,047**	820
Net profit on sale of property, plant and equipment	**(5,037)**	(2,956)
Share-based payment expense	**10,063**	8,311
Share of profits from joint ventures	**(16,036)**	(7,335)
Dividends from joint ventures	**7,250**	2,365
Other	**1,837**	2,190
Changes in assets and liabilities		
(Increase) in receivables	**(60,937)**	(141,319)
(Increase) in inventories	**(38)**	(68)
Decrease in contract assets	**1,309**	789
(Increase) in deferred tax assets	**(5,316)**	(8,127)
Increase in payables	**110,251**	78,431
Increase in provisions	**33,013**	17,464
(Decrease)/increase in income tax payable	**(5,548)**	4,396
Net cash flows from operating activities	**245,091**	81,039

Non-cash financing and investing activities

Hire purchase transactions:
During the year, the consolidated entity acquired right of use plant and equipment assets by means of hire purchase agreements with an aggregate fair market value of $19,565,313 (2025: $8,483,680).

Dividend reinvestment plan
During the year, the participation in the dividend reinvestment plan totalled $4,052,181(2025: $3,873,742).

5. CASH AND CASH EQUIVALENTS (continued)

Reconciliation of liabilities arising from financing activities

	2025 $'000	**Cash flows $'000**	**Non-cash changes new leases/ terminations $'000**	**Other $'000**	**2026 $'000**
Hire purchase liabilities	35,513	**(14,651)**	**19,565**	**457**	**40,884**
Other lease liabilities	38,420	**(9,494)**	**806**	**1,378**	**31,110**
Loan	6,365	**(6,365)**	**-**	**-**	**-**
	80,298	**(30,510)**	**20,371**	**1,835**	**71,994**

	2024 $'000	Cash flows $'000	Non-cash changes new leases/ terminations $'000	Other $'000	2025 $'000
Hire purchase liabilities	43,499	(15,397)	8,484	(1,073)	35,513
Other lease liabilities	39,846	(9,288)	7,872	(10)	38,420
Loan	10,895	(4,530)	-	-	6,365
	94,240	(29,215)	16,356	(1,083)	80,298

Recognition and measurement

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

	2026 $'000	2025 $'000

6. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	**367,235**	319,847
Less allowance account for expected credit losses	**(3,080)**	(2,539)
	364,155	317,308
Sales accruals and other debtors	**192,225**	165,389
Less allowance account for expected credit losses	**(1,481)**	(1,252)
	190,744	164,137
	554,899	481,445

Trade receivables generally have 30 to 60 days terms.

NON-CURRENT		
Other debtors	**917**	-

Allowance account for trade receivables impairment losses
Movements in loss allowance based on lifetime ECL:

Balance at the beginning of the year	2,539	2,080
Increase in loss allowance	**541**	459
Balance at the end of the year	**3,080**	2,539

Recognition and measurement

Trade receivables

Refer to accounting policies of financial assets in note 32.

Other debtors

Other debtors include contract assets that are unconditional (refer to note 7). These assets are reclassified to trade receivables when invoiced.

	2026 $’000	2025 $’000
7. CONTRACT ASSETS		
CURRENT		
Contract assets	**7,803**	8,962
NON-CURRENT		
Contract assets	**13,927**	14,077

Contract assets are net of expected credit losses of $175,107 (2025: $275,803).

Recognition and measurement

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration. If the Group’s right to an amount of consideration is unconditional (other than the passage of time), the contract asset is classified as a receivable.

Refer to accounting policies of revenue from contracts with customers in note 1.

	2026 $’000	2025 $’000
8. INVENTORIES		
Raw materials and consumables	**2,037**	1,998

Recognition and measurement

Raw materials and consumables

Raw materials and consumables are stated at the lower of cost and net realisable value.

9. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the period

				Right of Use Assets		
	Freehold Land and Buildings $'000	**Assets Under Construction $'000**	**Plant and Equipment $'000**	**Plant and Equipment Under Hire Purchase $'000**	**Land and Buildings $'000**	**Total $'000**
Year ended 30 June 2026						
Net carrying amount at 1 July 2025	46,964	1,005	94,314	44,570	28,864	215,717
Additions	**5,713**	**11,271**	**21,563**	**19,565**	**806**	**58,918**
Additions from business combination	**197**	**-**	**10,660**	**694**	**1,380**	**12,931**
Assets transferred	**190**	**(8,422)**	**10,992**	**(2,760)**	**-**	**-**
Disposals	**(192)**	**-**	**(841)**	**-**	**-**	**(1,033)**
Depreciation charge	**(1,655)**	**-**	**(25,150)**	**(9,781)**	**(8,347)**	**(44,933)**
Other	**(6)**	**-**	**(91)**	**(3)**	**(2)**	**(102)**
Net carrying amount at 30 June 2026	**51,211**	**3,854**	**111,447**	**52,285**	**22,701**	**241,498**
At 30 June 2026						
Gross carrying amount – at cost	**67,106**	**3,854**	**286,741**	**83,659**	**73,667**	**515,027**
Accumulated depreciation	**(15,895)**	**-**	**(175,294)**	**(31,374)**	**(50,966)**	**(273,529)**
Net carrying amount	**51,211**	**3,854**	**111,447**	**52,285**	**22,701**	**241,498**

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of carrying amounts at the beginning and end of the period (continued)

				Right of Use Assets			
	Freehold Land and Buildings $'000	**Assets Under Construction $'000**	**Plant and Equipment $'000**	**Plant and Equipment Under Hire Purchase $'000**	**Land and Buildings $'000**	**Plant and Equipment $'000**	**Total $'000**
Year ended 30 June 2025							
Net carrying amount at 1 July 2024	47,670	1,690	98,901	55,321	29,057	29	232,668
Additions	844	1,005	12,030	8,484	7,872	-	30,235
Assets transferred	330	(1,690)	7,507	(6,147)	-	-	-
Disposals	-	-	(856)	-	-	-	(856)
Assets derecognised from loss of control of subsidiary	-	-	(648)	(3,256)	-	-	(3,904)
Depreciation charge	(1,880)	-	(22,168)	(10,186)	(8,068)	(29)	(42,331)
Other	-	-	(452)	354	3	-	(95)
Net carrying amount at 30 June 2025	46,964	1,005	94,314	44,570	28,864	-	215,717
At 30 June 2025							
Gross carrying amount – at cost	61,640	1,005	249,838	72,497	70,095	1,400	456,475
Accumulated depreciation	(14,676)	-	(155,524)	(27,927)	(41,231)	(1,400)	(240,758)
Net carrying amount	46,964	1,005	94,314	44,570	28,864	-	215,717

Recognition and measurement

Property, plant and equipment

All classes of property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the income statement as incurred.

Assets under construction is stated at cost, net of accumulated impairment losses, if any.

Depreciation is calculated on a straight line basis on all classes of property, plant and equipment other than freehold land. The estimated useful life of buildings is 40 years; plant and equipment is between 3 and 20 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Recognition and measurement (continued)

Right of use assets

The Group recognises lease assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Lease assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of lease 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.

Impairment of non-financial assets other than goodwill

We have performed an impairment assessment based on the policy below. No impairment indicators were noted.

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired.

Where an indicator of impairment exists or when annual impairment testing for an asset is required, the Group makes a formal estimate of the recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

10. INTANGIBLE ASSETS AND GOODWILL

	Intangible Asset with Finite Useful Life $'000	Goodwill $'000	Total $'000
Year ended 30 June 2026			
At 1 July 2025	2,533	14,890	17,423
Arising on business combination	**7,826**	**16,739**	**24,565**
Amortisation	**(2,047)**	**-**	**(2,047)**
At 30 June 2026	**8,312**	**31,629**	**39,941**
Year ended 30 June 2025			
At 1 July 2024	3,353	14,890	18,243
Amortisation	(820)	-	(820)
At 30 June 2025	2,533	14,890	17,423

10. INTANGIBLE ASSETS AND GOODWILL (continued)

Impairment testing of the Group's goodwill

Goodwill acquired through business combinations has been allocated to cash generating units (CGU) for impairment testing purposes. Carrying amount of goodwill allocated to each CGU:

	2026 $'000	2025 $'000
M&IS East	**8,821**	8,821
High Energy Service Pty Ltd	**6,962**	-
Kerman Contracting Pty Ltd	**8,663**	-
Other	**7,183**	6,069
	31,629	14,890

The recoverable amount of each CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period extrapolated using growth rate of 2.5% (2025: 0% to 2.5%) and applying a pre-tax discount rate to the cash flow projections of 14.9% (2025: 14.7%). Key assumptions in the CGUs cash flow projections take into consideration historic performance and forecast macroeconomic conditions. Discount rates used are based on the weighted average cost of capital determined by prevailing market inputs, risk adjusted where necessary. No reasonably possible changes in key assumptions would result in the carrying amount of the individual CGUs exceeding their recoverable amount.

Recognition and measurement

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the consideration over the fair value of the Group's identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. During the year, the Group acquired High Energy Service Pty Ltd , Kerman Contracting Pty Ltd and Australian Power Industry Partners Pty Ltd which resulted in goodwill of $6,962,000, $8,663,000 and $1,114,000 respectively.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination, is, from the acquisition date, allocated to each of the Group's CGUs or groups of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. If the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

Intangible assets

Intangible assets relate to the fair value of customer relationships and contracts acquired. Intangibles assets have been assessed as having a finite life and are amortised using the straight-line method over a period of 5 years. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any impairment losses. Intangible assets are tested for impairment whenever there is an indication that the intangible asset may be impaired.

11. INVESTMENT IN JOINT VENTURES

Mondium Pty Ltd

On 21 October 2016, an Australian joint venture company, Mondium Pty Ltd was formed between Monadelphous and Lycopodium Ltd. The Group has a 60% interest in the joint venture. The principal activity of Mondium is to deliver engineering, procurement and construction services in the minerals processing sector.

The Group considers that it has joint control with its respective joint venture partner over Mondium Pty Ltd as relevant decisions at a Board and Shareholder level require unanimous agreement.

The Group's interest in Mondium Pty Ltd is not material.

Zenviron Pty Ltd

On 26 July 2016, a joint venture company, Zenviron Pty Ltd was formed between Monadelphous and ZEM Energy Investments Pty Ltd. The Group has a 55% ownership interest in the joint venture and a 50% interest in the voting rights. The principal activity of Zenviron is to deliver multi-disciplinary construction services in the renewable energy market in Australia and New Zealand.

The Group considers that it has joint control with its respective joint venture partner over Zenviron Pty Ltd as relevant decisions at a Board and Shareholder level require unanimous agreement.

Zenviron Pty Ltd results, assets and liabilities are as follows:

	2026 $'000	2025 $'000
Summarised statement of financial position		
Cash and cash equivalents	**98,467**	148,120
Current assets	**146,420**	178,663
Non-current assets	**3,052**	3,007
Current liabilities	**(105,115)**	(150,636)
Non-current liabilities	**(3,251)**	(2,092)
Equity	**41,106**	28,942
Group's share of Zenviron Pty Ltd net assets	**22,608**	15,918
Summarised statement of financial performance		
Revenue from contracts with customers	**329,661**	181,239
Cost of sales	**(284,041)**	(154,456)
Profit before tax	**33,126**	16,241
Income tax expense	**(9,961)**	(4,902)
Profit after tax	**23,164**	11,338
Profit and total comprehensive income for the year	**23,164**	11,338
Depreciation expense	**(1,174)**	(991)
Interest income	**5,002**	4,029
Interest expense	**(88)**	(117)
Group's share of profit for the year	**12,740**	6,236

11. INVESTMENT IN JOINT VENTURES (continued)

Commitments and contingent liabilities relating to Joint Ventures

The Group's share of insurance bond guarantees issued by Joint Ventures at 30 June 2026 was $19,804,629 (2025: $34,052,981).

Joint ventures had no capital commitments at 30 June 2026 (2025: $nil).

Recognition and measurement

A joint venture is a type of arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost. The carrying value of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The income statement reflects the Group's share of the results of the joint venture.

	2026 $'000	2025 $'000
12. TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	**177,178**	162,533
Contract liabilities	**158,531**	53,201
Sundry creditors and accruals	**84,158**	73,528
	419,867	289,262

Recognition and measurement

Trade and other payables

Trade and other payables are carried at amortised cost and are not discounted due to their short-term nature. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, non-interest bearing and are usually paid within 30 to 45 days of recognition.

Sundry creditors and accruals are non-interest bearing and generally have terms of 7 to 30 days.

Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

	2026 $'000	2025 $'000

13. INTEREST BEARING LOANS AND BORROWINGS

CURRENT		
Loan – secured	-	4,272
NON-CURRENT		
Loan – secured	-	2,093

Terms and conditions

Interest bearing loans and borrowings predominantly relates to variable rate property loan. This loan was repaid during 2026.

Defaults and breaches

During the current and prior year, there were no defaults and breaches on any of the loans.

Recognition and measurement

Interest bearing loans and borrowings

Interest bearing loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least twelve months after the reporting date.

Gains or losses are recognised in the income statement when the liabilities are derecognised.

	2026 $'000	2025 $'000

14. LEASE LIABILITIES

CURRENT		
Hire purchase lease liabilities	**15,498**	11,969
Other lease liabilities	**9,526**	9,115
	25,024	21,084
NON-CURRENT		
Hire purchase lease liabilities	**25,386**	23,544
Other lease liabilities	**21,584**	29,305
	46,970	52,849
Carrying amount at the beginning of the financial year	73,933	83,345
Additions	**20,371**	16,356
Additions through business combination	**1,812**	-
Accretion of interest	**3,352**	3,287
Payments	**(27,497)**	(27,972)
Other	**23**	(1,083)
Carrying amount at the end of the financial year	**71,994**	73,933

14. LEASE LIABILITIES (continued)

Terms and conditions

Hire purchase agreements have an average term of three years. The average discount rate implicit in the hire purchase liability is 5.5% (2025: 5.5%).

Other lease liabilities have an average term of 1.8 years. The average discount rate implicit in the other lease liability is 5.5% (2025: 5.4%).

The Group has total cash outflows for other lease liabilities (including short-term leases) during 30 June 2026 of $14,717,000 (2025: $13,586,000). The maturity analysis of lease liabilities is set out in note 23.

Recognition and measurement

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and lease assets representing the right to use the underlying assets.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised lease assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

- Property 1 to 8 years
- Plant and equipment 1 to 5 years

If ownership of lease assets transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease assets are subject to impairment.

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. The lease payments include fixed payments (including in-substance 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.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

14. LEASE LIABILITIES (continued)

Significant judgement in determining the lease term of contracts with renewal options

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

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

	2026	2025
	$'000	$'000
15. PROVISIONS		
CURRENT		
Employee benefits	**103,755**	84,774
Workers' compensation	**29,696**	18,555
Other	**7,858**	2,403
	141,309	105,732
NON-CURRENT		
Employee benefits – long service leave	**9,629**	9,050
	9,629	9,050
Movements in provisions		
Workers' compensation		
Carrying amount at the beginning of the year	18,555	15,109
Additional provision	**25,879**	19,062
Amounts utilised during the year	**(14,738)**	(15,616)
Carrying amount at the end of the financial year	**29,696**	18,555

Recognition and measurement

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relevant to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised as a finance cost.

15. PROVISIONS (continued)

Recognition and measurement (continued)

Employee benefits

Employee benefits includes liabilities for wages and salaries, rostered days off, vesting sick leave, project incentives and project redundancies. It is customary within the engineering and construction industry for incentive payments and redundancies to be paid to employees at the completion of a project. The provision has been created to cover the expected costs associated with these statutory and project employee benefits.

Liabilities for short-term benefits expected to be wholly settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liability is settled. Expenses for non-vesting sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long-term benefits is recognised and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date 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 reporting date on high quality corporate bonds, which have terms to maturity approximating the estimated future cash outflows.

Workers' compensation

It is customary for all entities within the engineering and construction industry to be covered by workers' compensation insurance. Payments under these policies are calculated differently depending on which state of Australia the entity is operating in. Premiums are generally calculated based on actual wages paid and claims experience. Wages are estimated at the beginning of each reporting period. Final payments are made when each policy is closed out based on the difference between actual wages and the original estimated amount. The amount of each payment varies depending on the number of incidents recorded during each period and the severity thereof. The policies are closed out within a five year period through negotiation with the relevant insurance company. The provision has been created to cover the expected costs associated with closing out each insurance policy and is adjusted accordingly based on the actual payroll incurred and the severity of incidents that have occurred during each period.

16. CAPITAL MANAGEMENT

Capital is managed by the Group's Chief Financial Officer in conjunction with the Group's Finance and Accounting department. Management continually monitor the Group's net cash/debt position and the gearing levels to ensure efficiency and compliance with the Group's banking facility covenants, including the gearing ratio, operating leverage ratio and fixed charge coverage ratio. At 30 June 2026, the Group is in a net cash position of $252,758,000 (2025: $163,951,000) and has a debt to equity ratio of 7.2% (2025: 8.4%) which is within the Group's net cash and debt to equity target levels.

During the year ended 30 June 2026, management paid dividends of $87,751,000 (2025: $64,997,000). The policy is to payout dividends of 80% to 100% of annual net profit after tax, subject to the working capital requirements of the business, potential investment opportunities and business and economic conditions generally.

The capital of the Company is considered to be contributed equity.

	2026 $'000	2025 $'000
17. DIVIDENDS PAID AND PROPOSED		
Declared and paid during the year		
Current year interim		
Interim franked dividend for 2026 (49 cents per share) (2025: 33 cents per share)	**49,013**	32,586
Previous year final		
Final franked dividend for 2025 (39 cents per share) (2024: 33 cents per share)	**38,719**	32,411
Unrecognised amounts		
Current year final		
Final franked dividend for 2026 (59 cents per share) (2025: 39 cents per share)	**59,308**	38,719
Franking credit balance		
Franking credits available for future reporting years at 30% adjusted for franking credits that will arise from the payment of income tax payable as at the end of the financial year	**102,799**	61,913
Impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	**(25,418)**	(16,594)
	77,381	45,319

Tax rates

The tax rate at which paid dividends have been franked is 30% (2025: 30%). Dividends payable will be franked at the rate of 30% (2025: 30%).

Recognition and measurement

A provision for dividends is not recognised as a liability unless the dividends are declared on or before the reporting date.

	2026 $'000	2025 $'000
18. CONTRIBUTED EQUITY		
Ordinary shares – Issued and fully paid	**168,829**	150,120

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	2026		2025	
	Number of Shares	**$'000**	Number of Shares	$'000
Beginning of the financial year	98,834,115	150,120	97,463,244	145,781
Dividend reinvestment plan	**169,313**	**4,052**	294,064	3,874
Shares issued on acquisition of subsidiary	**645,267**	**14,657**	-	-
Exercise of performance rights and retention rights	**444,273**	**-**	619,691	-
Exercise of options	**-**	**-**	457,116	465
End of the financial year	**100,092,968**	**168,829**	98,834,115	150,120

Recognition and measurement

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recognised directly in equity as a deduction, net of tax, from the proceeds.

	2026 $'000	2025 $'000
19. RESERVES AND RETAINED EARNINGS		
Foreign currency translation reserve	**(7,987)**	(5,873)
Share-based payment reserve	**89,684**	74,615
Fair value reserve for financial asset at FVOCI	**2,856**	2,856
Equity reserve	**(4,472)**	(4,472)
	80,081	67,126
Retained earnings	**320,139**	280,590

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from translation of the financial statements of foreign subsidiaries.

Share-based payment reserve

The share-based payment reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to note 27 for further details of these plans.

Fair value reserve financial assets

The fair value reserve for financial assets is used to record the movement in fair value of financial assets.

20. SUBSIDIARIES

The consolidated financial statements include the financial statements of Monadelphous Group Limited and subsidiaries:

Name	Country of Incorporation	Percentage Held by Consolidated Entity	
		2026	2025
Parent:			
Monadelphous Group Limited	Australia		
Controlled entities of Monadelphous Group Limited:			
#Monadelphous Engineering Associates Pty Ltd	Australia	**100**	100
#Monadelphous Properties Pty Ltd	Australia	**100**	100
#Monadelphous Engineering Pty Ltd	Australia	**100**	100
#Genco Pty Ltd	Australia	**100**	100
#Monadelphous Workforce Pty Ltd	Australia	**100**	100
#Monadelphous Electrical & Instrumentation Pty Ltd	Australia	**100**	100
#Monadelphous KT Pty Ltd	Australia	**100**	100
#Monadelphous Energy Services Pty Ltd	Australia	**100**	100
#M Workforce Pty Ltd	Australia	**100**	100
#M Maintenance Services Pty Ltd	Australia	**100**	100
M&ISS Pty Ltd	Australia	**100**	100
Inteforge Pty Ltd	Australia	**100**	100
Monadelphous Group Limited Employee Share Trust	Australia	**100**	100
Monadelphous Holdings Pty Ltd	Australia	**100**	100
Monadelphous NPI Pty Ltd	Australia	**100**	80
Evo Access Pty Ltd	Australia	**-**	100
Monadelphous Investments Pty Ltd	Australia	**100**	100
MWOG Pty Ltd	Australia	**100**	100
MOAG Pty Ltd	Australia	**100**	100
Monadelphous International Holdings Pty Ltd	Australia	**100**	100
Arc West Group Pty Ltd	Australia	**100**	100
R.I.G. Installations (Newcastle) Pty Ltd	Australia	**100**	100
RE&M Services Pty Ltd	Australia	**100**	100
Pilbara Rail Services Pty Ltd	Australia	**100**	100
EC Projects Pty Ltd	Australia	**100**	100
Monadelphous RTW Pty Ltd	Australia	**100**	100
MMW Projects Pty Ltd	Australia	**100**	100
Monadelphous PNG Ltd	Papua New Guinea	**100**	100
Moway International Limited	Hong Kong	**100**	100
Moway AustAsia Steel Structures Trading (Beijing) Company Limited	China	**100**	100
Inteforge Engineering & Fabrication (Tianjin) Co. Ltd	China	**100**	100
Monadelphous Mongolia LLC	Mongolia	**100**	100
Monadelphous Chile SpA	Chile	**-**	100
#BMC Holdings (Vic) Pty Ltd	Australia	**100**	100
BMC Welding & Construction Pty Ltd	Australia	**100**	100
BMC HV Electrical & Instrumentation Pty Ltd	Australia	**100**	100
BMC Civil Pty Ltd	Australia	**-**	100
#Melchor Contracting Pty Ltd	Australia	**100**	100
High Energy Service Pty Ltd	Australia	**100**	-
High Energy Service Group Pty Ltd	Australia	**100**	-
Kerman Contracting Pty Ltd	Australia	**100**	-
Australian Power Industry Partners Pty Ltd	Australia	**100**	-

Controlled entities subject to the Class Order (refer to note 31)

Ultimate parent

Monadelphous Group Limited is the ultimate holding company.

Material partly-owned subsidiaries

There were no subsidiaries that have a material non-controlling interest during the year (2025: none).

21. BUSINESS COMBINATION

Acquisition of High Energy Service Pty Ltd

On 1 July 2025, Monadelphous Group Limited acquired 100% of the share capital of a Perth-based high voltage services business High Energy Service Pty Ltd and High Energy Service Group Pty Ltd ('HES'). The acquisition of HES supports Monadelphous' strategic efforts to expand its capabilities and support the development and ongoing maintenance of the essential electricity generation, storage and infrastructure needed for Australia's energy transition.

The fair values of the identifiable assets and liabilities acquired from HES as of date of acquisition were:

	Fair value at acquisition date $'000
Cash	4,887
Trade and other receivables	3,942
Property, plant and equipment and right of use assets	8,778
Other	276
Total assets	17,883
Trade and other payables	1,151
Lease liabilities	823
Provisions	2,129
Total liabilities	4,103
Fair value of identifiable net assets	13,780
Identifiable intangible assets	2,898
Goodwill arising on acquisition	6,962
Purchase consideration	23,640
Acquisition-date fair-value of consideration transferred:	
Amount due to vendors	2,150
Cash paid	21,490
Total consideration	23,640
Cash acquired with the business	(4,887)
Cash paid	21,490
Net consolidated cash outflow	16,603

The goodwill recognised is primarily attributed to the expected synergies and other benefits from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

21. BUSINESS COMBINATIONS (continued)

Acquisition of Kerman Contracting Pty Ltd

On 5 November 2025, Monadelphous Group Limited acquired 100% of the share capital of Western Australia based Kerman Contracting Pty Ltd ('Kerman'), a design and construction business specialising in non-process infrastructure, bulk storage and materials handling facilities. The acquisition of Kerman supports Monadelphous' growth strategy, strengthening its non-process infrastructure capability for the delivery of large-scale projects with resources sector customers, and growing its service offering in other sectors.

The provisional fair values of the identifiable assets and liabilities acquired from Kerman as of date of acquisition were:

	Provisional fair value at acquisition date $'000
Cash	71,451
Trade and other receivables	2,658
Property, plant and equipment and right of use assets	2,347
Other	6,391
Total assets	82,847
Trade and other payables	7,128
Contract liabilities	9,390
Lease liabilities	989
Provisions	683
Other	1,296
Total liabilities	19,486
Fair value of identifiable net assets	63,361
Identifiable intangible assets	4,321
Goodwill arising on acquisition	8,663
Purchase consideration	76,345
Acquisition-date fair-value of consideration transferred:	
Amount due to vendors	3,000
Shares issued, at fair value	14,657
Cash paid	58,688
Total consideration	76,345
Net cash acquired with the business	(71,451)
Cash paid	58,688
Net consolidated cash (inflow)	(12,763)

The goodwill recognised is primarily attributed to the expected synergies and other benefits from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.
Sales revenue of $47,562,000 has been recognised from Kerman for the period since acquisition. The net profit before tax for the period was $3,062,000. If the combination had taken place at the beginning of the financial year, Kerman's revenue from continuing operations would have been $56,496,755 and the profit before tax from continuing operations would have been $4,898,795.

21. BUSINESS COMBINATIONS (continued)

Acquisition of Australian Power Industry Partners Pty Ltd

On 5 December 2025, Monadelphous Group Limited acquired 100% of the share capital of Australian Power Industry Partners Pty Ltd ('APIP'), a high-voltage electrical contractor based in Milton, Queensland for a cash consideration of $3,276,000. The acquisition of APIP further expands our capability and supports our entry into the transmission and distribution sector. The provisional fair values of identifiable net assets were $2,161,000 resulting in a goodwill of $1,114,000.

APIP's results for the period are not considered to be material.

22. INTEREST IN JOINT OPERATIONS

Joint operations interests

The Group's interests in joint operations are as follows:

Joint Arrangement	Principal Activity	Principal place of business	Group Interest 2026 %	2025 %
Monadelphous Worley JV PNG	Engineering, Procurement and Construction & Maintenance Support Work in PNG	PNG	**65**	65
Monadelphous Worley JV	Engineering, Procurement and Construction & Maintenance Support Work	Brisbane, QLD	**65**	65

During 2022, Monadelphous established an unincorporated joint venture, Alevro JV, to provide turnkey heavy lift solutions. The Group's interest in the JV is dependent on each party's contribution on a contract by contract basis.

In November 2024, Monadelphous entered into a consortium agreement with Ansaldo Energia S.p.A. The principal place of business of this unincorporated consortium is Brisbane, Queensland. The Group's interest in the consortium is dependent on each party's contribution.

Commitments and contingent liabilities relating to joint operations

There were no capital commitments or contingent liabilities relating to the joint operations at 30 June 2026 (2025: $nil).

22. INTEREST IN JOINT OPERATIONS (continued)

Recognition and measurement

Joint arrangements are arrangements of which two or more parties have joint control. Joint control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as either a joint operation or joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Group recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method. Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the Group’s share of the net assets of the venture.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, loans, leases and hire purchase contracts, cash and short-term deposits.

The Group is exposed to financial risks which arise directly from its operations. The Group has policies and measures in place to manage financial risks encountered by the business.

Primary responsibility for the identification of financial risks rests with the Board. The Board determines policies for the management of financial risks. It is the responsibility of the Chief Financial Officer and senior management to implement the policies set by the Board and for the constant day to day management of the Group's financial risks. The Board reviews these policies on a regular basis to ensure that they continue to address the risks faced by the Group.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's policy to minimise risk from fluctuations in interest rates is to utilise fixed interest rates in its loans, leases and hire purchase contracts where appropriate. Cash and short-term deposits are exposed to floating interest rate risks. The Group manages its foreign currency risk arising from significant supplier contracts in foreign currencies by holding foreign currency or taking out forward exchange contracts. Analysis is performed on a customer's credit rating prior to signing contracts and analysis is performed regularly of credit exposures and aged debt to manage credit and liquidity risk.

The policies in place for managing the financial risks encountered by the Group are summarised below.

Risk exposures and responses

Interest rate risk

The Group's exposure to variable interest rates is as follows:

	Notes	**2026 $'000**	2025 $'000
Financial assets/liabilities			
Cash and cash equivalents	5	**293,642**	205,829
Loan – secured	13	**-**	(6,365)
Net exposure		**293,642**	199,464

The Group utilises a number of financial institutions to obtain the best interest rate possible and to manage its risk. The Group does not enter into interest rate hedges.

At 30 June 2026, reasonably possible movements in variable interest rates, based on a review of historical movements and forward rate curves for forward rates would not have had a material impact on the Group.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk exposures and responses (continued)

Foreign currency risk

As a result of operations in Papua New Guinea, China and Mongolia, the Group's statement of financial position can be affected by movements in the US$/A$, PGK/A$, RMB/A$ and MNT/A$ exchange rates.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency. Where possible, Monadelphous does not take on foreign exchange risk. At 30 June 2026, the Group has no foreign exchange forward contracts for future capital commitments (2025: none).

Conversion of PGK balances to AUD is subject to receipt of tax clearances from the relevant taxation authority resulting in normal administrative delay. The Group mitigates its exposure to foreign currency risk by minimising excess foreign currency balances in overseas jurisdictions not required for working capital.

At 30 June 2026, the Group had the following exposure to foreign currency:

	PGK AUD$'000	USD AUD$'000
Year ended 30 June 2026		
Financial assets		
Cash and cash equivalents	**21,536**	**19,457**
Trade and other receivables	**13,787**	**14,324**
Financial liabilities		
Trade and other payables	**(2,512)**	**(9,754)**
Net Exposure	**32,811**	**24,027**
Year ended 30 June 2025		
Financial assets		
Cash and cash equivalents	32,233	18,499
Trade and other receivables	14,642	6,934
Financial liabilities		
Trade and other payables	(2,379)	(5,545)
Net Exposure	44,496	19,888

At 30 June 2026, reasonably possible movements in USD foreign exchange rates, based on a review of historical movements, would not have had a material impact on the Group (2025: no material impact).

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk exposures and responses (continued)

Foreign currency risk (continued)

At 30 June 2026, if the PGK foreign exchange rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
Judgements of reasonably possible movements relating to financial assets and liabilities denominated in PGK:	**2026 $'000**	2025 $'000	**2026 $'000**	2025 $'000
+5% (2025: +10%)	**(1,148)**	(3,115)	**-**	-
-5% (2025: -10%)	**1,148**	3,115	**-**	-

The reasonably possible movements have been based on review of historical movements.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's maximum exposure to credit risk is its cash, trade and other receivables and contract assets representing $871,188,000 at 30 June 2026 (2025: $710,313,000).

The Group considers the probability of default upon initial recognition of a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

Except for trade receivables, contract assets and other short-term receivables (see below), expected credit losses (ECL's) are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. In making this assessment, the Group considers information that is reasonable and supportable, including historical experience and forward-looking information. Forward-looking information considered includes consideration of external sources of economic information. In particular, the Group takes into account the counterparties external credit rating (as far as available), actual or expected significant changes in the operating results of the counterparty and macroeconomic indicators when assessing significant movements in credit risk.

<u>Trade receivables and contract assets</u>

The Group trades with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Publicly available credit information from recognised providers is utilised for this purpose where available.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts has not been significant.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk exposures and responses (continued)

Credit risk (continued)

Trade receivables and contract assets (continued)

The Group minimises concentrations of credit risk in relation to accounts receivable and contract assets by undertaking transactions with a number of customers within the resources, energy and infrastructure industry sector. There are multiple contracts with our significant customers, across a number of their subsidiaries, divisions within those subsidiaries and locations.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Chair, Managing Director or Chief Financial Officer.

Since the Group trades with recognised third parties, there is no requirement for collateral.

The Group applies a simplified approach in calculating ECLs for trade receivables and contract assets. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

A receivable is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Evidence that a receivable is credit-impaired includes observable data about significant financial difficulty of the debtor or a breach of contract, such as a default or past due event.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets, for which lifetime expected credit losses are recognised, using a provision matrix:

		Trade receivables					
			Days past due				
	Contract assets $'000	**Current $'000**	**<31 days $'000**	**31-60 days $'000**	**61-90 days $'000**	**>91 days $'000**	**Total $'000**
30 June 2026							
Expected credit loss rate	**0.8%**	**0.8%**	**0.8%**	**0.8%**	**0.8%**	**12.02%**	
Total estimated gross carrying amount at default	**21,905**	**303,205**	**58,850**	**3,349**	**641**	**1,190**	**367,235**
Expected credit loss	**175**	**2,432**	**473**	**27**	**5**	**143**	**3,080**
30 June 2025							
Expected credit loss rate	1.2%	0.8%	0.8%	0.8%	0.8%	8.07%	
Total estimated gross carrying amount at default	23,315	263,050	43,336	10,276	1,141	2,044	319,847
Expected credit loss	276	1,961	326	78	9	165	2,539

Other balances within trade and other receivables did not contain impaired assets and were not past due. It was expected that these other balances would be received when due.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk exposures and responses (continued)

Credit risk (continued)

Financial instruments and cash deposits

With respect to credit risk arising from the other financial assets of the Group, which comprises cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group minimises its exposure to credit risk for cash and cash equivalents, by investing funds with counter parties rated A+ or higher by Standard & Poor's where possible. Term deposits typically have an original maturity of three months or less and other bank deposits are on call.

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.

Liquidity risk

	2026 $'000	2025 $'000
Financing facilities available		
At balance date the following financing facilities had been negotiated and were available		
Total facilities:		
- Bank guarantee and performance bonds	**460,000**	390,000
- Revolving credit	**102,660**	118,866
	562,660	508,866
Facilities used at balance date:		
- Bank guarantee and performance bonds	**330,872**	187,694
- Revolving credit	**40,884**	41,879
	371,756	229,573
Facilities unused at balance date:		
- Bank guarantee and performance bonds	**129,128**	202,306
- Revolving credit	**61,776**	76,987
	190,904	279,293

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk exposures and responses (continued)

Liquidity risk (continued)

Nature of bank guarantees and performance bonds

The contractual term of the bank guarantees and performance bonds match the underlying obligation to which it relates.

Nature of revolving credit

The revolving credit includes hire purchase/leasing facilities. Refer to note 14 for terms and conditions.

The Group's objective is to manage the liquidity of the business by monitoring project cash flows and through the use of financing facilities. The Group currently has financing facilities in the form of hire purchase liabilities, secured loans and a receivable facility. The liquidity of the group is managed by the Group's Finance and Accounting department.

The table below reflects all contractually fixed pay-offs, repayments and interest resulting from financial liabilities as of 30 June 2026.

Maturity analysis of financial liabilities:

	6 months or less $'000	6 months to 1 year $'000	1 year to 5 years $'000	5 years or more $'000	Total Contractual Cash Flows $'000	Total Carrying Amount $'000
Year ended 30 June 2026						
Financial liabilities						
Trade and other payables	**419,867**	**-**	**2,097**	**-**	**421,964**	**421,964**
Hire purchase liability	**10,015**	**7,160**	**27,256**	**-**	**44,431**	**40,884**
Other lease liabilities	**5,356**	**4,673**	**22,872**	**473**	**33,374**	**31,110**
Net maturity	**435,238**	**11,833**	**52,225**	**473**	**499,769**	**493,958**
Year ended 30 June 2025						
Financial liabilities						
Trade and other payables	289,262	-	-	-	289,262	289,262
Hire purchase liability	7,218	6,337	25,165	-	38,720	35,513
Other lease liabilities	5,136	5,002	29,682	1,979	41,799	38,420
Bank loans	2,346	2,198	2,139	-	6,683	6,365
Net maturity	303,962	13,537	56,986	1,979	376,464	369,560

Net fair values of financial assets and liabilities

The carrying amounts and estimated fair values of financial assets and financial liabilities at balance date are materially the same.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Net fair values of financial assets and liabilities (continued)

Interest bearing liabilities with fixed interest rates: The fair value includes the value of contracted cash flows, discounted at market rates.

Cash and cash equivalent: The carrying amount approximates fair value because of their short-term maturity.

Receivables and payables: The carrying amount approximates fair value due to short-term maturity.

Listed equity investments measured at fair value through other comprehensive income. The carrying amount is equal to the fair value calculated using quoted prices in active markets (level 1 – see below).

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1: The fair value is calculated using quoted prices in active markets.
Level 2: The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3: The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

There were no material financial assets or liabilities measured at fair value at 30 June 2026 or 30 June 2025.

24. COMMITMENTS AND CONTINGENCIES

Capital commitments

The consolidated group has capital commitments of $10,694,975 at 30 June 2026 (2025: $6,573,589).

	2026	2025
	$'000	$'000
Guarantees		
Guarantees given to various clients for satisfactory contract performance	**330,872**	187,694

Monadelphous Group Limited and all controlled entities marked # in note 20 have entered into a deed of cross guarantee. Refer to note 31 for details.

Contingent liabilities

On 26 July 2023, the Company announced that Northern SEQ Distributor – Retailer Authority, trading as Unitywater (Unitywater), had served a Claim and Statement of Claim in the Supreme Court of Queensland against one of Monadelphous' wholly owned subsidiaries, Monadelphous Engineering Pty Ltd (ME).

On 20 October 2023, Unitywater filed a further amendment to that Statement of Claim in the Supreme Court Registry, amending the value of the claim to approximately $200 million. On 26 June 2025, Unitywater filed a Second Further Amended Statement of Claim in the Supreme Court Registry, joining Acciona Agua Australia Pty Ltd to the proceedings. The claims made by Unitywater relate to a contract entered into by Unitywater and ME in 2016 for the design and construction of an upgrade to the Kawana Sewage Treatment Plant on the Sunshine Coast in Queensland. Monadelphous denies the allegations and claimed losses and will vigorously defend the claims, as well as pursuing available counterclaims.

The Group is subject to various other actual and pending claims arising in the normal course of business. The Group has regular claims reviews to assess the need for accounting recognition or disclosure. The Directors are of the opinion that based on information currently available there is no material exposure to the Group arising from these other actual and pending claims at balance date.

25. SUBSEQUENT EVENTS

Dividends declared

On 24 August 2026, the directors of Monadelphous Group Limited declared a final dividend on ordinary shares in respect of the 2026 financial year. The total amount of the dividend is $59,308,343 which represents a fully franked final dividend of 59 cents per share. This dividend has not been provided for in the 30 June 2026 financial statements. The Monadelphous Group Limited Dividend Reinvestment Plan will apply to the dividend.

	Notes	**2026 $'000**	2025 $'000
26. PARENT ENTITY INFORMATION			
Information relating to Monadelphous Group Limited parent entity			
Current assets		**153,016**	134,465
Total assets		**389,430**	331,009
Current liabilities		**(71,719)**	(66,434)
Total liabilities		**(71,947)**	(66,871)
Net assets		**317,483**	264,138
Contributed equity		**168,829**	150,120
Share-based payment reserve		**89,257**	74,333
Fair value reserve for financial asset at FVOCI		**2,856**	2,856
Retained earnings		**56,541**	36,829
Total equity		**317,483**	264,138
Profit after tax		**107,025**	68,629
Total comprehensive income of the parent entity		**107,025**	68,629
Contingent liabilities			
Guarantees	24	**330,872**	187,694

Guarantees entered into by the Group are via the parent entity. Details are contained in note 24.

Capital commitments

The parent entity has $nil capital commitments at 30 June 2026 (2025: $nil).

27. SHARE-BASED PAYMENT EXPENSE

The share-based payment expense for the year ended 30 June 2026 was $10,063,269 (2025: $8,311,717) for the consolidated entity.

Performance Rights

During the year 845,839 performance rights were granted by Monadelphous Group Limited under the 2025 Combined Reward Plan (CR Plan) and 2025 Long-Term Senior Leadership Performance Reward Plan (LTPR Plan).

The performance rights granted under the CR Plan vest into shares in equal instalments, one, two and three years subsequent to award, subject to the employee remaining in the employ of the Company at those particular dates. Any performance rights that do not vest as a result of the vesting condition of continual employment not being satisfied will (unless the Board determines otherwise) lapse.

Performance rights granted under the LTPR Plan will vest three years after grant subject to the financial performance of the Company and continued employment, for the period from grant to vest (measurement period). An EPS growth performance hurdle is used to measure the financial performance of the Company over the measurement period. For 100 per cent of the performance rights to vest, EPS growth of at least 8 per cent per annum (compounded over the measurement period) is required. If EPS growth of 4 per cent per annum (compounded over the measurement period) is achieved, 50 per cent of the performance rights will vest and if EPS growth of between 4 per cent and 8 per cent per annum (compounded over the measurement period) is achieved, a pro-rata number of performance rights will vest. No performance rights will vest if an EPS growth rate of less than 4 per cent per annum (compounded) is achieved.

The fair value of each performance right issued during the period was estimated on the date of grant using a discounted cash flow calculation. Specifically, the Monadelphous Group Limited share price has been discounted at the dividend yield in order to account for the dividends that the rights holder forgoes over the life of the rights.

The weighted average fair value of performance rights granted in the period was $18.36.

The following table illustrates the number and weighted average exercise prices of and movements in performance rights granted, exercised and forfeited during the year.

	2026		2025	
	Number of Performance Rights	**Weighted Average Exercise Price $**	Number of Performance Rights	Weighted Average Exercise Price $
Balance at the beginning of the year	1,402,593	**nil**	926,913	nil
Issued during the year	**845,839**	**nil**	826,628	nil
Exercised during the year	**(444,273)**	**nil**	(295,443)	nil
Forfeited during the year	**(27,493)**	**nil**	(55,505)	nil
Balance at the end of the year	**1,776,666**	**nil**	1,402,593	nil
Exercisable during the next year	**429,648**	**nil**	444,273	nil

27. SHARE-BASED PAYMENT EXPENSE (continued)

Retention Rights

The retention rights were issued in the form of performance rights and vested into shares in equal instalments, one, two and three years subsequent to award, subject to the employee remaining in the employment of the Company at those particular dates.

The fair value of each retention right issued was estimated on the date of grant using a discounted cash flow calculation.

The following table illustrates the number and weighted average exercise prices of and movements in retention rights granted, exercised and forfeited during the year.

	2026		2025	
	Number of Retention Rights	**Weighted Average Exercise Price $**	Number of Retention Rights	Weighted Average Exercise Price $
Balance at the beginning of the year	**-**	nil	330,050	nil
Issued during the year	-	**nil**	**-**	nil
Exercised during the year	-	**nil**	(324,248)	nil
Forfeited during the year	-	**nil**	(5,802)	nil
Balance at the end of the year	-	**nil**	**-**	nil
Exercisable during the next year	-	**nil**	**-**	nil

Options

The exercise price of the options granted under the Employee Option Plan was calculated as the average closing market price of the shares for the five trading days prior to the invitation date to apply for the options of 5 November 2020. The fair value of each option issued during the year was estimated on the date of grant using a Binomial option-pricing model.

The following weighted average assumptions were used for grants during the year:

Dividend yield	5.44%
Volatility	44.0%
Risk-free interest rate	0.21% - 0.95%
Expected life of option	25% - 1 years 25% - 2 years 50% - 3 years

The dividend yield reflects an analysis of past dividends and future dividend expectations. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which also may not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

27. SHARE-BASED PAYMENT EXPENSE (continued)

The following table illustrates the number and weighted average exercise prices of and movements in options granted, exercised and forfeited during the year.

	2026		2025	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Balance at the beginning of the year	-	-	1,525,000	9.30
Exercised during the year	-	-	(1,475,000)	9.30
Forfeited during the year	-	-	(50,000)	9.30
Balance at the end of the year	-	-	-	-
Exercisable during the next year	-	-	-	-

Recognition and measurement

The Group provides benefits to employees (including Key Management Personnel) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value is determined by an external valuer. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Monadelphous Group Limited (market conditions), if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

	2026 $	2025 $

28. AUDITOR'S REMUNERATION

The auditor of Monadelphous Group Limited is Ernst & Young.

Amounts received or due and receivable by Ernst & Young Australia for:		
• An audit or review of the financial report of the entity and any other entity in the consolidated entity	**424,440**	385,000
• Fees for assurance services required by legislation	**55,000**	-
• Other non-audit services in relation to the entity and any other entity in the consolidated entity		
• tax compliance	**48,875**	42,125
• other	**80,000**	-
Total fees to Ernst & Young (Australia)	**608,315**	427,125
Amounts received or due and receivable by overseas member firms of Ernst & Young for:		
• An audit or review of the financial report of the entity and any other entity in the consolidated entity	**8,432**	8,564
• Other services in relation to the entity and any other entity in the consolidated entity		
• tax compliance	**1,511**	27,017
• other	**4,054**	2,033
Total fees to overseas member firms of Ernst & Young	**13,997**	37,614
Total auditor's remuneration	**622,312**	464,739

Ernst & Young has provided an auditor's independence declaration to the Directors of Monadelphous Group Limited confirming that the provision of the other services has not impaired their independence as auditors.

	2026 $	2025 $

29. RELATED PARTY DISCLOSURES

Compensation of key management personnel		
Short-term benefits	**5,055,078**	4,608,665
Post-employment	**216,214**	210,822
Long-term benefits	**(97,890)**	(185,122)
Share-based payments	**2,190,122**	1,574,854
Total compensation	**7,363,524**	6,209,219

During the year, a key management personnel entered into an arm's length transaction in a personal capacity with a wholly owned subsidiary of the Company, to the value of $19,550. There is no outstanding balance on this transaction at 30 June 2026. The transaction was pre-approved in line with the Company's policy.

Zenviron

The Group had sales to the joint venture during the year totalling $7,914,226 (2025: $2,308,204).

Mondium

The Group had sales to the joint venture during the year totalling $35,013,366 (2025: $16,841,141).

30. OPERATING SEGMENTS

Revenue is derived by the consolidated entity from the provision of engineering services to the resources, energy and infrastructure industry sector. For the year ended 30 June 2026, the Engineering Construction division contributed revenue of $1,374.0 million (2025: $925.3 million) and the Maintenance and Industrial Services division contributed revenue of $1,615.0 million (2025: $1,346.4 million). Included in these amounts is $8.9 million (2025: $5.8 million) of inter-entity revenue and $193.3 million (2025: $112.7 million) of revenue of joint ventures, which is eliminated. The operating divisions are exposed to similar risks and rewards from operations and are only segmented to facilitate appropriate management structures.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The CODM believe that the aggregation of the operating divisions is appropriate for segment reporting purposes as they:

- have similar economic characteristics in that they have similar gross margins;
- perform similar services for the same industry sector;
- have similar operational business processes;
- provide a diversified range of similar engineering services to a large number of common clients;
- utilise a centralised pool of engineering assets and shared services in their service delivery models, and the services provided to customers allow for the effective migration of employees between divisions; and
- operate predominately in one geographical area, namely Australia.

Accordingly, all services divisions have been aggregated to form one segment.

The Group has a number of customers to which it provides services. The largest customer represented 17% (2025: 15%) of the Group's revenue. One other customer individually contributed 15% (2025: 14%) of the Group's revenue. There are multiple contracts with these customers, across a number of their subsidiaries and divisions within those subsidiaries and locations.

	2026 $'000	2025 $'000

30. OPERATING SEGMENTS (continued)

Geographical Information

	2026 $'000	2025 $'000
Revenue from external customers		
Australia	**2,729,326**	2,093,022
Papua New Guinea	**55,397**	53,801
Mongolia	**2,082**	4,218
Other overseas locations	**-**	2,115
	2,786,805	2,153,156
Total non-current assets		
Australia	**365,605**	303,153
Papua New Guinea	**7,288**	3,583
Mongolia	**-**	60
Other overseas locations	**175**	200
	373,068	306,996

31. DEED OF CROSS GUARANTEE

Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, relief has been granted to these controlled entities of Monadelphous Group Limited from the *Corporations Act 2001* requirements for preparation, audit and publication of accounts.

As a condition of the Class Order, Monadelphous Group Limited and the controlled entities subject to the Class Order, entered into a deed of indemnity on 9 June 2011, 1 June 2012, 9 June 2014, 8 June 2016 and 9 May 2024. The effect of the deed is that Monadelphous Group Limited has guaranteed to pay any deficiency in the event of winding up of these controlled entities. The controlled entities have also given a similar guarantee in the event that Monadelphous Group Limited is wound up.

The consolidated income statement and statement of financial position of the entities that are members of the 'Deed' are as follows:

	2026 $'000	2025 $'000
Consolidated Income Statement and Comprehensive Income		
Profit before income tax	**140,190**	106,393
Income tax expense	**(44,564)**	(33,432)
Net profit after tax for the period	**95,626**	72,961
Reconciliation of Retained Earnings		
Retained earnings at the beginning of the period	213,153	205,188
Dividends paid	**(87,752)**	(64,997)
Net profit after tax for the period	**95,626**	72,962
Retained earnings at the end of the period	**221,027**	213,153

31. DEED OF CROSS GUARANTEE (continued)

	2026 $'000	2025 $'000
Consolidated Statement of Financial Position		
ASSETS		
Current assets		
Cash and cash equivalents	**211,620**	144,884
Trade and other receivables	**455,873**	452,806
Contract assets	**9,744**	11,098
Total current assets	**677,237**	608,788
Non-current assets		
Contract assets	**13,927**	14,073
Investments in subsidiaries	**108,603**	7,492
Property, plant and equipment	**221,580**	210,523
Deferred tax assets	**31,886**	24,929
Intangible assets and goodwill	**39,941**	17,423
Total non-current assets	**415,937**	274,440
TOTAL ASSETS	**1,093,174**	883,228
LIABILITIES		
Current liabilities		
Trade and other payables	**438,067**	285,559
Interest bearing loans and borrowings	**-**	4,272
Lease liabilities	**24,002**	20,390
Income tax payable	**17,231**	21,955
Provisions	**76,918**	50,109
Total current liabilities	**556,218**	382,285
Non-current liabilities		
Lease liabilities	**46,266**	52,239
Provisions	**8,720**	8,242
Total non-current liabilities	**54,986**	60,481
TOTAL LIABILITIES	**611,204**	442,766
NET ASSETS	**481,970**	440,462
EQUITY		
Contributed equity	**168,829**	150,120
Reserves	**92,114**	77,189
Retained earnings	**221,027**	213,153
TOTAL EQUITY	**481,970**	440,462

32. OTHER ACCOUNTING STANDARDS

Other accounting policies

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

With the exception of trade receivables, that do not have a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under AASB 15.

Financial assets at amortised cost

The Group measures financial assets at amortised cost where the objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables.

Financial assets at fair value

For financial assets at fair value, gains and losses will either be reported in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instruments at fair value through OCI.

Gains and losses on financial assets designated at fair value through OCI are not recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Impairment of financial assets

The Group recognises an allowance for ECLs for trade receivables, contract assets and other debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses and recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Definition of default

The Group considers a financial asset to be in default when contractual payments are 90 days past due or when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

32. OTHER ACCOUNTING STANDARDS (continued)

Other accounting policies (continued)

Financial assets (continued)

Write off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

New and amended Accounting Standards and Interpretations

Monadelphous Group Limited and its subsidiaries has adopted all new and amended Australian Standards and Interpretations mandatory for reporting periods beginning on or before 1 July 2025.

Revised Standards and Interpretations which apply from 1 July 2025 did not have any material effect on the financial position or performance of the Group.

32. OTHER ACCOUNTING STANDARDS (continued)

New accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective (including those below) have not been adopted by the Group for the annual reporting period ended 30 June 2026. The impact of these standards are still being assessed.

Reference	Summary	Application date of standard	Application date for Group
Amendments to Australian Accounting Standards – Annual improvements Volume 11	Amendments to the following standards: • AASB 1 First time Adoption of Australian Accounting Standards • AASB 7 Financial Instruments; Disclosures • AASB 9 Financial Instruments • AASB 10 Consolidated Financial Statements • AASB 107 Statement of Cash Flows The amendments aim to improve clarity and internal consistency.	1 January 2026	1 July 2026
AASB 18 Presentation and Disclosure in Financial Statements	The key presentation and disclosure requirements established by AASB 18 are: • the presentation of newly defined subtotals in the statement of profit or loss; • the disclosure of management-defined performance measures; and • enhanced requirements for grouping information (i.e. aggregation and disaggregation). These new requirements will enable investors and other financial statement users to make more informed decisions, including better allocations of capital, that will contribute to long-term financial stability. AASB 18 will replace AASB 101 Presentation of Financial Statements.	1 January 2027	1 July 2027

MONADELPHOUS GROUP LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATMENT
FOR THE YEAR ENDED 30 JUNE 2026

Name of entity	Entity type	Country of incorporation	Country of tax residence	% of share capital
Monadelphous Group Limited	Body corporate	Australia	Australia	
Controlled entities of Monadelphous Group Limited:				
Monadelphous Engineering Associates Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Properties Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Engineering Pty Ltd	Body corporate	Australia	Australia	100
Genco Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Workforce Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Electrical & Instrumentation Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous KT Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Energy Services Pty Ltd	Body corporate	Australia	Australia	100
M Workforce Pty Ltd	Body corporate	Australia	Australia	100
M Maintenance Services Pty Ltd	Body corporate	Australia	Australia	100
M&ISS Pty Ltd	Body corporate	Australia	Australia	100
Inteforge Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Group Limited Employee Share Trust	Trust	Australia	Australia	100
Monadelphous Holdings Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Investments Pty Ltd	Body corporate	Australia	Australia	100
MWOG Pty Ltd	Body corporate	Australia	Australia	100
MOAG Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous International Holdings Pty Ltd	Body corporate	Australia	Australia	100
Arc West Group Pty Ltd	Body corporate	Australia	Australia	100
R.I.G. Installations (Newcastle) Pty Ltd	Body corporate	Australia	Australia	100
RE&M Services Pty Ltd	Body corporate	Australia	Australia	100
Pilbara Rail Services Pty Ltd	Body corporate	Australia	Australia	100
EC Projects Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous RTW Pty Ltd	Body corporate	Australia	Australia	100
MMW Projects Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous PNG Ltd	Body corporate	Papua New Guinea	Papua New Guinea	100
Moway International Limited	Body corporate	Hong Kong	Australia and Hong Kong[(1)]	100
Moway AustAsia Steel Structures Trading (Beijing) Company Limited	Body corporate	China	China	100
Inteforge Engineering & Fabrication (Tianjin) Co. Ltd	Body corporate	China	China	100
Monadelphous Mongolia LLC	Body corporate	Mongolia	Mongolia	100
BMC Holdings (Vic) Pty Ltd	Body corporate	Australia	Australia	100
BMC Welding & Construction Pty Ltd	Body corporate	Australia	Australia	100
BMC HV Electrical & Instrumentation Pty Ltd	Body corporate	Australia	Australia	100
Melchor Contracting Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous NPI Pty Ltd	Body corporate	Australia	Australia	100
High Energy Service Pty Ltd	Body corporate	Australia	Australia	100
Kerman Contracting Pty Ltd	Body corporate	Australia	Australia	100
Australian Power Industry Partners Pty Ltd	Body corporate	Australia	Australia	100

(1) Moway International Limited is a dual tax resident of Australia and Hong Kong.