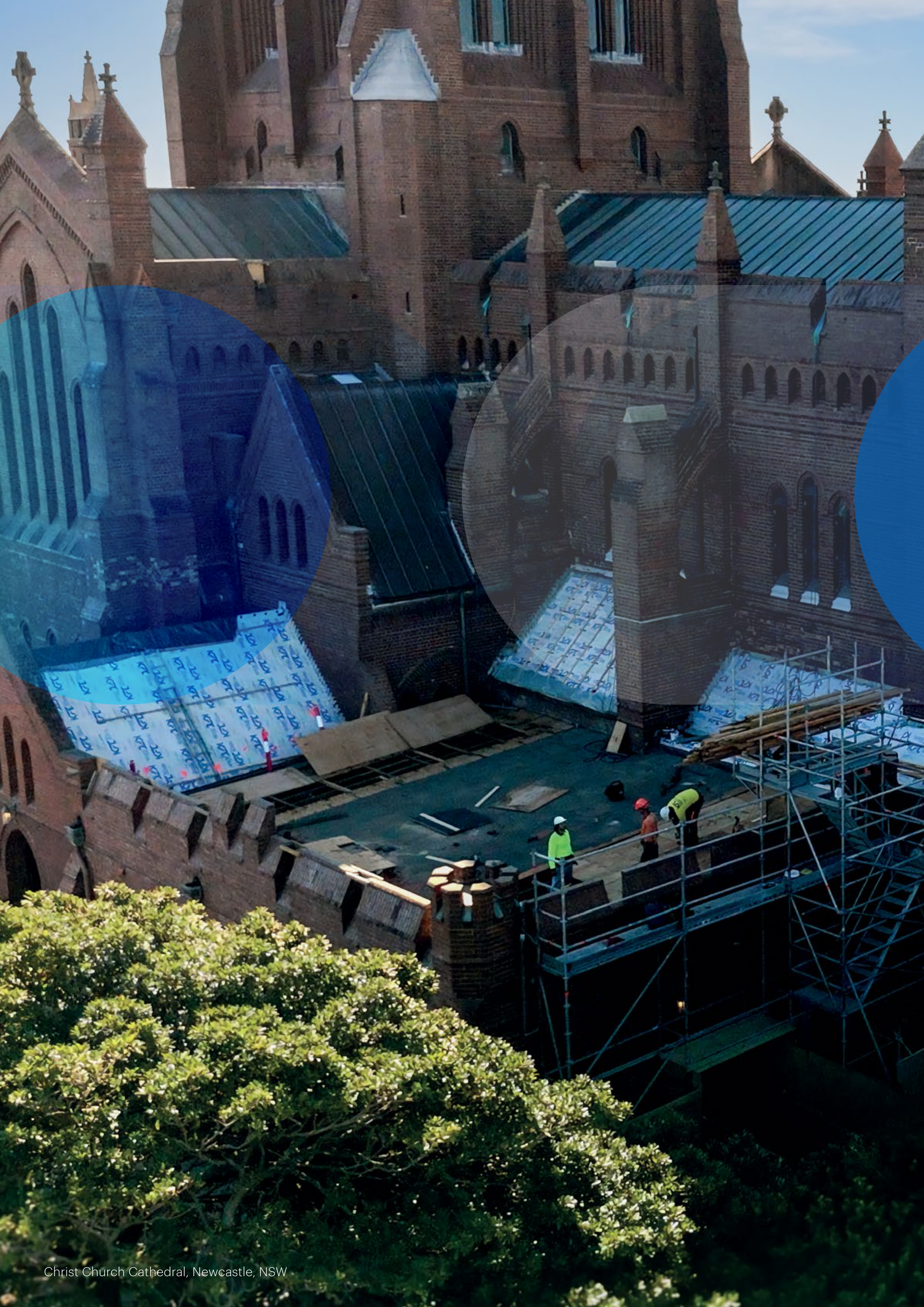
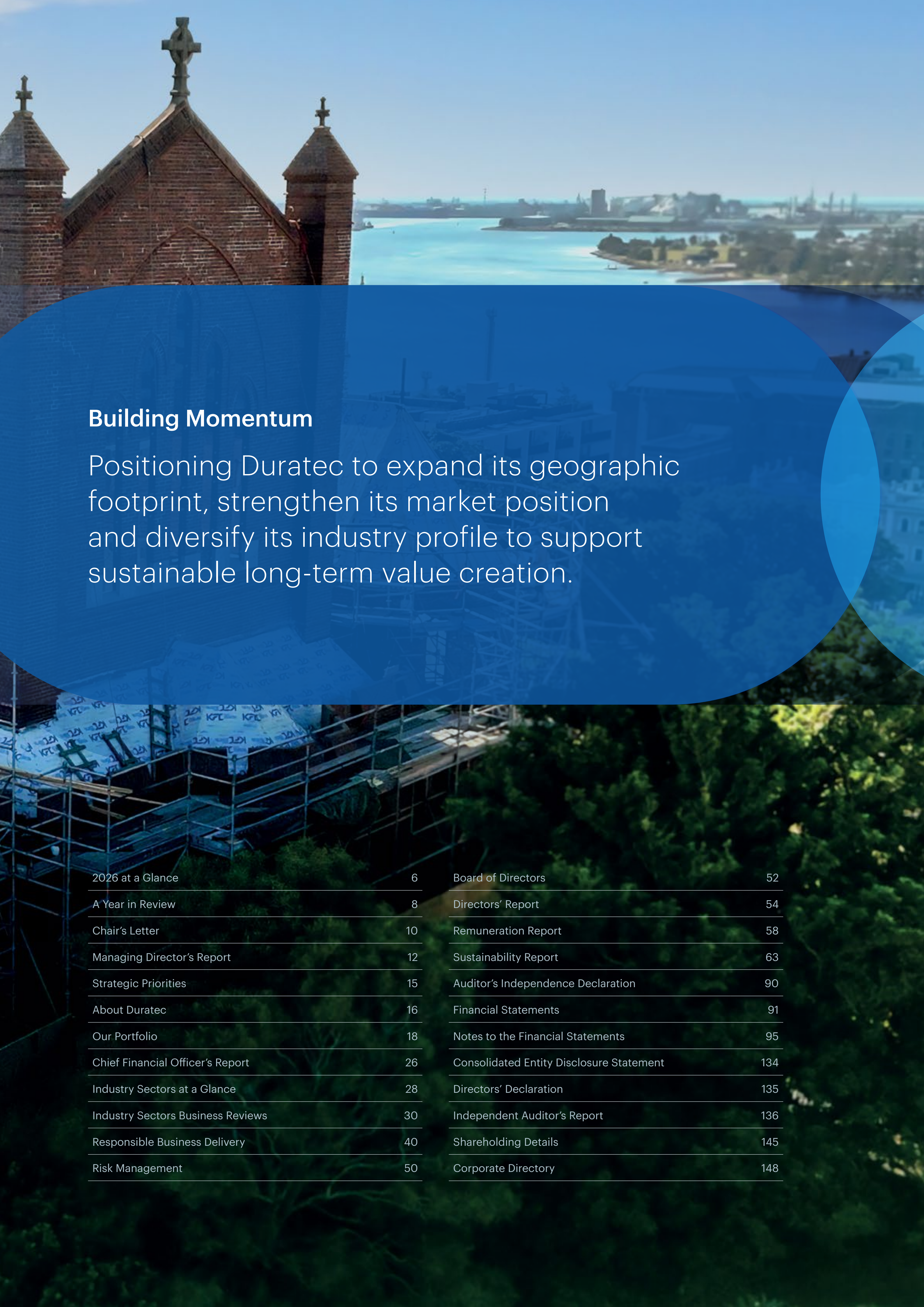
Annual Report FY26

Building Momentum



Christ Church Cathedral, Newcastle, NSW



Building Momentum

Positioning Duratec to expand its geographic footprint, strengthen its market position and diversify its industry profile to support sustainable long-term value creation.

Driving Scalable Growth

Our nationally led and locally delivered approach supports sustainable growth across Australia and provides a platform for selective expansion into Pacific markets, underpinned by our specialist capabilities and strategic partnerships.

Remediation at Gove Wharf, NT

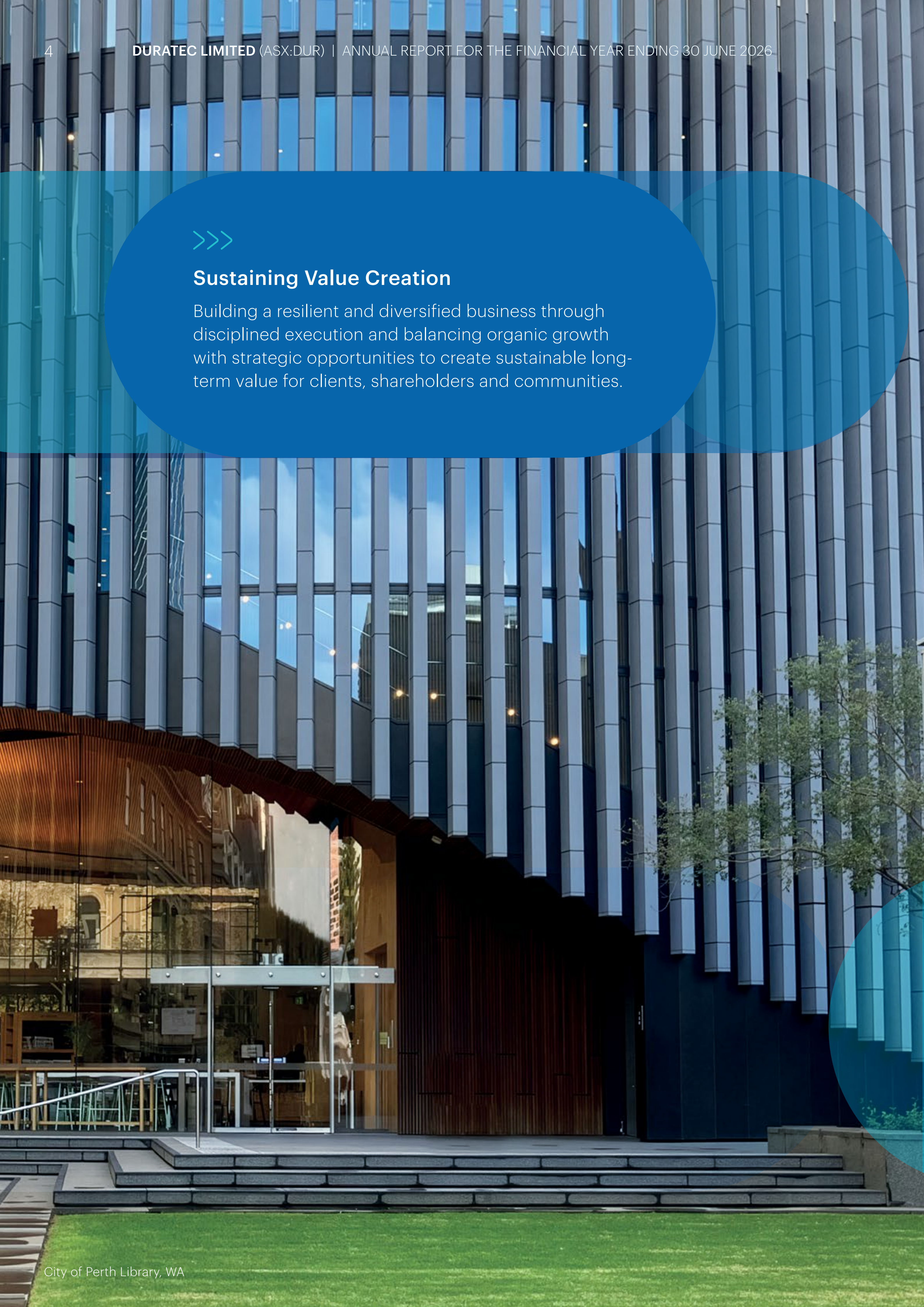
Expanding Capability and Innovation

Strengthening our technical expertise, specialist capabilities and service offering through investment in people, technology and targeted acquisitions, enhancing our ability to deliver integrated asset and infrastructure lifecycle solutions.

Daniel Dalton, Technical Director at MEnD, preparing drone for asset inspection

Sustaining Value Creation

Building a resilient and diversified business through disciplined execution and balancing organic growth with strategic opportunities to create sustainable long-term value for clients, shareholders and communities.



City of Perth Library, WA

Creating Opportunity through Early Engagement

Working alongside clients and asset owners through our Early Contractor Involvement (ECI) model, leveraging technical expertise and collaborative delivery to optimise outcomes, build trusted relationships and secure strategic opportunities.

HMAS Coonawarra, NT

2026 at a Glance

Financial Highlights

Revenue[1]

$570.3m

↓ 0.5% from $573.0m in FY25

EBITDA[2]	$58.5m	↑ 10.5% from $53.0m in FY25
NPAT	$23.8m	↑ 4.1% from $22.8m in FY25
Earnings Per Share[3]	9.25¢	↑ 1.6% from 9.1¢ in FY25
Dividend[4]	4.25¢	Per share, fully franked
Cash Holdings	$78.8m	↓ 6.2% from $84.0m in FY25

Operational Highlights

Total Hours Worked	3.0m
Repeat Clients	84%
Projects Completed	1,673

People Highlights

Total Employees	1,580
Women in Workforce	18.8%
Employee Training Events	2,911

HSEQ Highlights

TRIFR[5]	6.17 / million hours worked
LTIFR[6]	0 / million hours worked

1 Revenue excludes DDR Australia Pty Ltd (49% share) and DXP Energy Solutions Pty Ltd (70% share)

2 Normalisation of EBITDA accounts for tax effect from Duratec Limited's equity accounted investments in DDR Australia Pty Ltd and DXP Energy Solutions Pty Ltd and one-off acquisition costs and other nonrecurring project costs. (Normalisation = $7.4m)

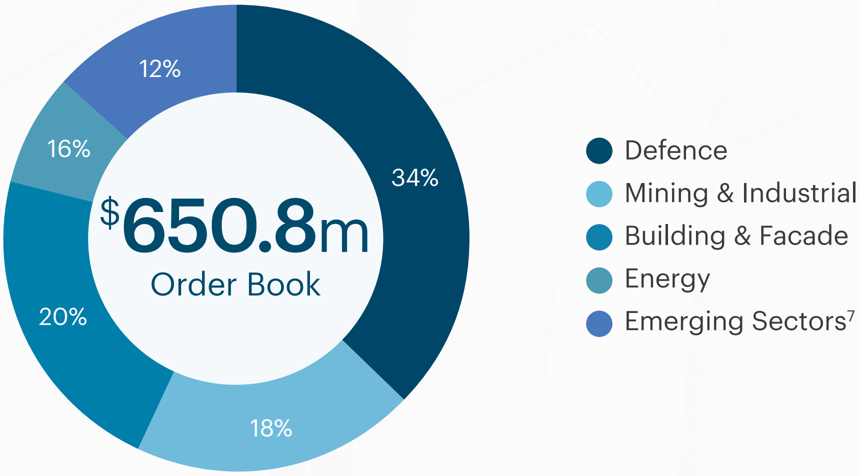
3 Basic earnings per share (cents)

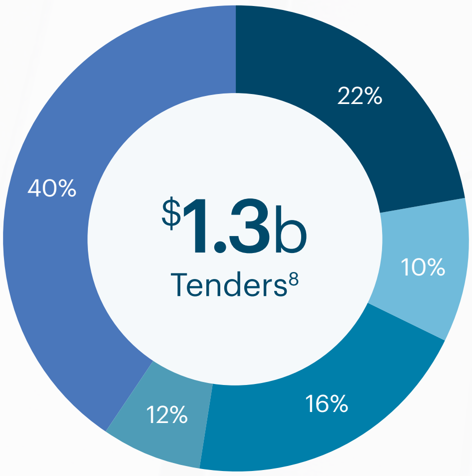
4 Interim dividend of 1.75 cents per share and final dividend of 2.5 cents per share fully franked

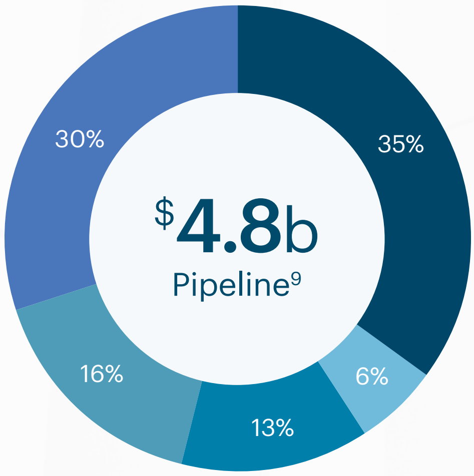
5 TRIFR (Total Recordable Injury Frequency Rate) is a key safety metric used to measure the number of recordable injuries per one million hours worked. It includes all work-related deaths, lost time injuries, restricted work injuries, and medical treatment injuries

City of Perth Library façade remediation, WA

Pipeline







6 LTIFR (Lost Time Injury Frequency Rate) is a safety metric that quantifies the number of lost time injuries per one million hours worked. It specifically counts incidents that result in an employee being unable to work for a full scheduled workday or shift following the injury. LTIFR focuses specifically on the severity of injuries leading to time off work, whereas TRIFR encompasses a wider range of injury types to give a comprehensive overview of workplace safety

7 Emerging Sectors, which relates to Marine, Transport Infrastructure, and Water Infrastructure, is disclosed as "Other Segments" in Note 3 of the Financial Statements

8 Tenders includes submitted and currently being tendered opportunities

9 Pipeline includes 49% share of DDR Australia Pty Ltd Revenue and 100% share of WPF Duratec Pty Ltd (wholly owned subsidiary)

A Year in Review

FY26 was a year of building momentum across the Group, with Duratec and its subsidiaries delivering key milestones while solving complex engineering, construction and remediation challenges to build, protect and renew infrastructure.

eig
A DURATEC COMPANY

Acquired by Duratec

AUG

Emma Scotney Appointed NED

SEP

RECONCILIATION ACTION PLAN REFLECT

Formally endorsed by Reconciliation Australia

SEP

DXP Energy Solutions

Joint Venture established

OCT

MANAGEMENT SYSTEM CERTIFICATION DNV ISO 19443

ISO 19443

Nuclear supply chain accreditation

OCT

2026 NT Defence Industry Excellence Awards

AIDN Defence Industry Contribution Excellence Award & NT Veteran Employer of the Year

MAY

WA Australian Institute of Building Professional Excellence Awards

Central Park & City of Perth Library

MAY

$68m Darwin Ship Lift project

Construction of Blast & Paint Facility

MAY

Atec Facades opens new office and warehouse

Located in Osborne Park

APR

Celebrating Brendon Walley of RC Construction (DDR subsidiary)

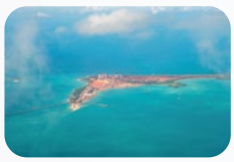
Aboriginal Apprentice of the Year 2026, WA Civil Construction Industry & Training Award

MAY

Kwinana Bulk Jetty upgrade contract

Wharf infrastructure remediation project by Fremantle Port Authority

MAY



Gove Structural Integrity Remediation Services award

Rio Tinto

MAY

ASX:DUR

5th Anniversary of ASX listing

NOV

RGK Resources acquired by MEnD

Non-Destructive Testing (NDT) accreditation

JAN

Acquisition of Hunter Coatings

By Duratec

FEB

Awarded contract with Lihir Gold Ltd, a subsidiary of Newmont Corporation

Plug and abandonment services in Papua New Guinea

MAR

Duratec wins two ACRA Awards at 2025 Ceremony

Port Hedland Berth C&D Remediation

MAR

Workplace Psychosocial Safety assessment

Company-wide survey

MAR

Investor Day

Held in Sydney

MAR

$281m HMAS Stirling project

Awarded to DEJV

APR

Acquired by WPF

JUN

Perth Airport Aviation Fuel Infrastructure ECI

Awarded to Duratec West Coast Civil JV

JUN

Launch of Fleet Electrification transition

JUN

Launch of Career Pathways Framework

JUN

Building on Strong Foundations

Dear Shareholders,
It is my pleasure to present Duratec Limited's Annual Report for the financial year ended 30 June 2026 (FY26).

FY26 was another important year in Duratec's development. The Group continued to deliver across its core markets, while also taking meaningful steps to broaden its technical capability, deepen its client relationships and expand into new geographies. Against a backdrop of evolving economic conditions and competitive market dynamics, Duratec remained focused on disciplined delivery, operational performance and long-term value creation for shareholders.

A diversified, technically capable and resilient business delivering complex projects for high-quality clients

Revenue was $570.3m, while improved earnings performance resulted in normalised EBITDA of $58.5m and net profit after tax of $23.8m. Earnings per share increased to 9.25 cents and the Board declared a final fully franked dividend of 2.5 cents per share, taking total dividends for the year to 4.25 cents.

These results demonstrate Duratec's ability to maintain strong profitability while continuing to invest in the future of the business, and reflect the Board's continued commitment to balancing shareholder returns with strategic investment in long-term growth.

Strategic Progress & Growth

Duratec's strategy is centred on building a diversified, technically capable and resilient business that can deliver complex projects for high-quality clients across multiple sectors. During FY26, the Group made good progress against this strategy through the acquisition of EIG Australia, RGK Resources, Hunter Coatings and Pacific Welding Australia, and the establishment of DXP Energy Solutions. These businesses add specialist expertise, broaden Duratec's self-performing capability and enhance the Group's ability to deliver integrated solutions to clients across infrastructure, resources, energy, defence and industrial markets.

Significant project awards during the year included the $281m contract awarded to the Duratec Ertech Joint Venture (DEJV) for infrastructure upgrades supporting future submarine capability at HMAS Stirling and the $68m Darwin Ship Lift Facility project. A particular milestone during the year was the award of Duratec's first major contract in Papua New Guinea (PNG), a $45m services contract with Lihir Gold Limited, which expands the Group's relationship with a tier-one global resources client and establishes a platform for further opportunities in PNG and the broader region. Importantly, it also demonstrates Duratec's ability to leverage expertise across the Group, including DXP Energy Solutions, to deliver specialist services in new markets.

The Group's current order book is $650.8m, with tenders of $1.3b and a total identified pipeline of $4.8b, providing visibility across the Group's diversified markets and supporting future activity levels.

Governance, Safety & Sustainability

As Duratec continues to grow, the Board remains focused on maintaining strong governance, effective oversight and disciplined capital allocation. Growth brings opportunity, but it also requires appropriate systems, controls and leadership. The Board continues to work closely with management to ensure the Group's governance framework evolves in line with the scale and complexity of the business.

The Board announced the appointment of Jamie Cullen as a Non-Executive Director, effective 1 October 2026, and the retirement of Gavin Miller as a Non-Executive Director following Duratec's FY26 Annual General Meeting. On behalf of the Board, I thank Gavin for his substantial contribution to the success of Duratec and also welcome Jamie, whose wealth of executive and boardroom experience gained across ASX-listed companies, will be a valuable addition to the Board.

Safety remains fundamental to Duratec's culture and operations. The Board regularly reviews safety performance, recognising that strong leadership and culture are critical to protecting our people and supporting sustainable long-term performance. During FY26, Duratec recorded a Total Recordable Injury Frequency Rate (TRIFR) of 6.17 and a Lost Time Injury Frequency Rate (LTIFR) of zero. While the results reflected both areas of improvement and areas requiring continued focus, the Board recognises that every incident has the potential to impact our people and their families.

During the year, Duratec formalised its Critical Risk Standards framework and implemented a centralised system for managing safety, risk and compliance, strengthening consistency, accountability and visibility across operations.

FY26 marked an important step forward in the Group's reconciliation journey. During the year, Duratec launched its inaugural Reflect Reconciliation Action Plan (RAP), endorsed by Reconciliation Australia, reinforcing its commitment to creating opportunities for Aboriginal and Torres Strait Islander peoples through employment, procurement, and workforce development initiatives.

The Board is also pleased that this Annual Report includes Duratec's inaugural statutory Sustainability Report. During the year, the Group established its first emissions intensity target and further strengthened its approach to assessing and managing climate-related risks and opportunities.

Central to the Group's success is its people. During FY26, Duratec continued to invest in leadership development and employee engagement while launching a refreshed Vision, Mission and Values framework that reflects Duratec's evolution and future direction while reinforcing the values that have underpinned its success.

Outlook

Duratec enters FY27 with confidence, supported by a strong culture and an experienced leadership team. The Group has a diversified portfolio of markets, a very strong order book at record levels, an attractive tender pipeline and expanded technical capability. It is well positioned across sectors with long-term growth drivers, including Defence, Energy, Resources, Mining & Industrial, and critical infrastructure.

On behalf of the Board, I extend my sincere thanks to our Managing Director, Chris Oates, the executive leadership team and all employees for their commitment and contribution throughout the year. I also thank our clients, suppliers, subcontractors and industry partners for their ongoing support and collaboration, and our shareholders for their continued confidence in Duratec.

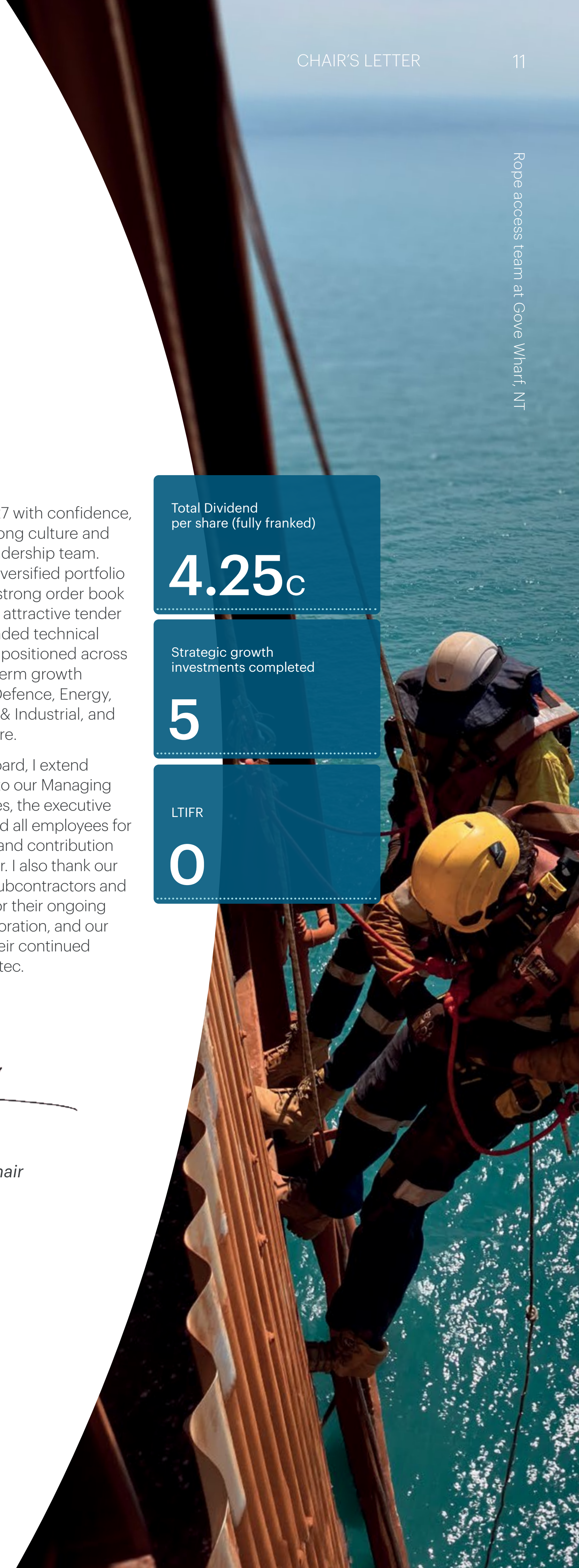
Yours sincerely

Martin Brydon
Non-Executive Chair
Duratec Limited

Total Dividend per share (fully franked)
4.25c

Strategic growth investments completed
5

LTIFR
0



Rope access team at Gove Wharf, NT

>>>

Building Momentum through Capability, Performance and Growth

FY26 was a year of building momentum for Duratec. Across the Group, we strengthened capability, expanded our service offering and continued to deliver for our clients. These efforts supported improved earnings, a stronger market position and increasing opportunities for future growth, headlined by our record order book.

During FY26, Duratec's diversified presence across Defence, Energy, Mining & Industrial, Building & Facade and Emerging Sectors continued to provide resilience and support growth opportunities across the Group. While activity levels varied between sectors, revenue remained broadly consistent with the prior year and earnings quality improved through disciplined project selection, increasing self-perform capability and a continued focus on operational efficiency.
Our ability to deliver complex projects in highly regulated and operationally sensitive environments remains a key differentiator, supported by specialist technical expertise, a national footprint and long-standing client relationships.
Increasing engagement through Early Contractor Involvement (ECI), together with recurring maintenance programs and Master Services Agreements, continues to strengthen future revenue visibility and create opportunities for repeat work.
As the Group's capabilities continue to expand, we are increasingly able to support clients throughout the asset lifecycle, from engineering and planning through to maintenance, remediation and decommissioning, further strengthening our position across core markets.

DDR Australia (DDR) delivered a strong performance during FY26, making a meaningful contribution to earnings. DDR's specialist capability in Defence maintenance and sustainment complements Duratec's infrastructure delivery expertise and is underpinned by a strong commitment to Aboriginal engagement, with Aboriginal people representing more than 25% of its workforce. Together, the businesses are well positioned to support major Defence infrastructure, estate maintenance and sustainment activities across Australia.

Our performance during FY26 reflects the capability, commitment and professionalism of our people. Across Australia and Papua New Guinea, our teams safely delivered complex projects while supporting the integration of acquired businesses and expansion of service lines. As the Group continues to grow, maintaining a culture focused on safety, accountability, collaboration and client outcomes remains fundamental to our success. I would like to thank our people for their contribution throughout the year and for the crucial role they continue to play in Duratec's growth and evolution.

Our order book has increased to a record high of $650.8m and our project pipeline remains strong at $4.8b

Financial Highlights

In FY26 Duratec delivered a solid performance, achieving record EBITDA and NPAT while continuing to invest in capability, people and future growth opportunities. Key highlights for the year include:

- Our order book has increased to a record high of $650.8m and our project pipeline remains strong at $4.8b. The pipeline is further supported by long-term investment programs across Defence, Energy, Mining & Industrial and critical infrastructure markets, including significant Defence infrastructure investment planned across Western Australia
- Normalised earnings before interest, tax, depreciation, and amortisation (EBITDA) margins improved from 9.2% to 10.3%, supported by contributions from DDR and stronger project outcomes across the Group
- Normalised EBITDA was $58.5m, an increase of 10.5% compared to FY25, while EBIT was $33.6m compared to $32.6m in FY25
- Consolidated net profit after tax (NPAT), including contributions from associates, increased to $23.8m, 4.1% above FY25
- Revenue delivered was $570.3m, decreasing 0.5% compared to last year (excluding $108.7m from DDR) driven by growth across Building & Facade, Energy and Emerging Sectors, partly offset by the timing of major contract awards within Defence and Mining & Industrial
- Earnings per share increased to 9.25 cents and a fully franked dividend of 4.25 cents per share was declared. This represents a payout ratio of 46%, consistent with the Board's approach of balancing shareholder returns with funding requirements for future expansion
- Duratec's balance sheet remains robust, with a cash balance of $78.8m at year end. The decrease of $5.3m compared to FY25 reflects continued investment in acquisitions and organic growth, while retaining capacity to support future opportunities

› The tender outlook is $1.3b, reflecting substantial opportunities across our core markets. Our pipeline of $4.8b remains diversified across sectors and geographies, providing a balanced mix of opportunities. ECI continues to support future conversion opportunities

› Master Services Agreements and annuity-style contracts contributed $185.3m of revenue during FY26, reinforcing the value of long-standing client relationships and recurring work streams.

Building Momentum for Growth

Throughout the year, the Group secured several significant project awards across Defence, Energy, Mining & Industrial, Building & Facade and Emerging Sectors. Demand for our services continued to grow, reflected in a record order book and significant momentum in ECI activity across all sectors. Duratec's order book increased by 66.9% during FY26, underpinned by several large project awards that provide a solid foundation revenue base for FY27. Importantly, a number of these projects are expected to contribute significant revenue as they move from design or ECI into full project delivery.

Major contract awards included the $281m infrastructure upgrades to support future submarine capability at HMAS Stirling for the Department of Defence through the Duratec Ertech Joint Venture (DEJV), where delivery activities commenced during FY26 following completion of the ECI phase. Other awards include the $68m subcontract for the construction and commissioning works associated with the Darwin Ship Lift Facility, the Kwinana Bulk Jetty wharf infrastructure remediation project on behalf of Fremantle Ports, and the ECI services for the Jet Fuel Expansion Program for Perth Airport through the Duratec West Coast Civil Joint Venture (DWJV). These projects reinforce Duratec's

Record Order Book

$650.8m

Revenue

$570.3m

Normalised EBITDA

$58.5m

Red Hill Reservoir, ACT

position as a trusted delivery partner capable of operating in complex, highly regulated environments and were complemented by continued growth in recurring revenue streams through Master Services Agreements.

Duratec's expansion into Papua New Guinea through the award of a $45m services contract with Lihir Gold Limited, a subsidiary of Newmont Corporation, represented an important milestone in the Group's expansion in the Energy and Resources services sector. The award highlights the breadth of capability that now exists across the Group and demonstrates our ability to deploy specialist expertise into new markets and operating environments.

A key priority during FY26 was strengthening the Group's capability, geographic footprint and service offering. The acquisition of EIG Australia expanded Duratec's electrical and fuel infrastructure expertise, while MEnD Consulting extended its national footprint through the establishment of a Brisbane laboratory, increasing the Group's East Coast capability, and enhancing its advanced non-destructive testing and specialist inspection capability through the acquisition of RGK Resources. The acquisition of Hunter Coatings strengthened the Group's self-perform capabilities across protective coatings, Structural Integrity services, and concrete remediation, whilst also expanding our presence within the New South Wales Mining sector. Within the Energy sector, the acquisition of Pacific Welding Australia, also in New South Wales, broadened the provision of project-based welding, mechanical services and specialist fabrication. Together with the continued growth of WPF and establishment of DXP Energy Solutions, these investments have strengthened the Group's integrated service offering across the asset lifecycle, from project planning and constructability through to operations, maintenance, and decommissioning. Our focus remains on building complementary capabilities that increase collaboration across the Group and support participation in larger and more complex opportunities. Whilst our initial investment in the majority of our acquisitions has been relatively modest, we anticipate, with our footprint and existing capabilities, that these companies will contribute strongly well into the future as they scale rapidly.

Safety, Culture & Sustainability

The quality of our people continues to be one of Duratec's greatest assets. As the Group expands, we remain committed to building a workplace culture centred on safety, accountability, collaboration and continuous improvement. Safety remains fundamental to Duratec's culture and operations. While the Total Recordable Injury Frequency Rate increased modestly to 6.17, the Group recorded a Lost Time Injury Frequency Rate of zero during the year, demonstrating the importance of maintaining focus on both leading and lagging safety indicators.

> Our success is built not just on strategy, but on the capability, commitment and professionalism of our people

During FY26, we continued to strengthen our safety systems, processes and governance framework. The implementation of the HammerTech platform enhanced visibility and consistency in managing safety, compliance and operational risk across the Group, while the completion of Critical Risk Standards further strengthened the management of high-consequence activities. These initiatives support a proactive approach to risk management and reinforce our commitment to safety.

Investment in organisational capability also continued, including increased resources within our Quality and Environmental functions to support operational growth and project delivery. A significant achievement was being the first construction company in Australia to achieve ISO 19443 accreditation, positioning Duratec to participate in highly regulated and quality-critical industries, including opportunities associated with Australia's Defence infrastructure and emerging nuclear programs.

We continued investing in workforce wellbeing through programs supporting psychological safety, employee engagement and leadership development. The launch of our refreshed Vision, Mission and Values framework during the year provides a clear articulation of who we are, what we stand for and where we are heading, helping to align our growing workforce behind a common purpose.

During FY26, we continued strengthening sustainability initiatives across the business and launched our inaugural Reflect Reconciliation Action Plan (RAP), reinforcing our commitment to positive outcomes for Aboriginal and Torres Strait Islander people and the communities in which we operate.

Outlook

Duratec enters FY27 with strong momentum, supported by a record order book, diversified tender opportunities and a substantial pipeline.

Defence remains a key source of future opportunity for the Group. Activity across estate works, maritime and fuel infrastructure continues to support future opportunities. Commencement of works on Diamantina Wharf for the infrastructure upgrades to support future nuclear submarine capability at HMAS Stirling, further strengthened Duratec's position within major Defence infrastructure programs and demonstrates the Group's ability to deliver strategically significant projects. The scale of Defence infrastructure investment planned over the coming decade, together with Duratec's strong platform from which to participate in future programs, provides a foundation for continued growth. DDR is also expected to remain an important contributor through ongoing activity related to Defence programs.

Energy has expanded significantly during FY26 and now provides lifecycle capability spanning engineering and project delivery through to operations, maintenance and decommissioning. To support this growth DXP Energy Solutions was established, creating a dedicated platform focused on delivering integrated solutions across the Energy, Resources and Industrial sectors. Combined with WPF and the recent acquisitions, this strengthens our ability to support clients throughout the asset lifecycle. Sustained demand across these markets is expected to support continued expansion across Australia and neighbouring regions.

Across Mining & Industrial, demand for maintenance, remediation and structural integrity services continues to be supported by ageing infrastructure and asset life extension programs. While revenue was impacted by the timing of a number of projects, the business expanded its client base, grew recurring maintenance revenue and maintained a diverse pipeline of project opportunities. Expansion across the East Coast is expected to support further development of the business.

The Building & Facade sector continues to benefit from increasing demand for remediation, compliance upgrades and façade replacement programs. Combined with the growth of Atec Facades' specialist offering, these trends provide a strong platform for future activity.

Marine infrastructure, transport infrastructure, water infrastructure and specialised construction activities are expected to remain an important source of diversification for the Group. Recent project wins and participation in government and high-security infrastructure programs continue to support activity levels.

MEnD Consulting continues to create opportunities beyond traditional construction activities. Growing demand for digital engineering, advanced inspection services, asset intelligence and infrastructure digitisation is supporting earlier engagement with clients and strengthening our ability to provide integrated solutions throughout the asset lifecycle. We will continue pursuing organic growth and targeted acquisitions while integrating recent acquisitions, investing in our people and systems, and leveraging technology to support future growth.

I am incredibly proud of what our people have achieved during FY26. On behalf of the Executive Team, I would like to thank our employees, clients, subcontractors, supply chain partners and shareholders for their continued support and contribution to the success of the business.

With a highly capable team, strong client relationships and an expanded portfolio of specialist services, Duratec is well positioned to deliver growth and continue building momentum in FY27 to create lasting value for shareholders, clients and the communities in which we operate.

Chris Oates
Managing Director
Duratec Limited

Strategic Priorities FY27

Driving Scalable Growth	Continue to build on our presence in the Defence and Energy sectors while maintaining a diversified portfolio across Mining & Industrial, Building & Facade and Emerging Sectors. Leveraging our specialist capabilities, integrated service offering and national footprint to support sustainable growth, selective geographic expansion and long-term shareholder value.
Enhancing Capability and Delivery	Invest in our people, technical expertise, self-perform capability, digital solutions and business systems to support safe, efficient and scalable project delivery, while strengthening operational performance and service capability across the Group.
Strengthening Strategic Relationships	Deepen relationships with clients, partners and subsidiary businesses to expand recurring revenue streams and support future opportunities. Continue leveraging Early Contractor Involvement (ECI), Master Services Agreements and collaborative delivery models to create long-term value and enhance the quality and visibility of future work.
Sustaining Long-Term Performance	Maintain a disciplined approach to growth through strong safety leadership, workforce development, sustainability initiatives and prudent capital management, building a resilient and diversified business that supports long-term performance and sustainable value creation.

About Duratec

Duratec has been solving complex engineering, construction, and remediation challenges over its 16 years of operation. Today, the Company has grown into a national business with operations in every state and territory, delivering high-quality, safe, predictable and cost-effective projects across Defence, Mining & Industrial, Building & Facade, Energy, Marine, Transport Infrastructure, and Water Infrastructure.

During the year, we refreshed our Vision, Mission and Values to provide greater alignment across our growing workforce, reinforce the culture and behaviours that have contributed to Duratec's success, and establish clear expectations for how we work together as the Group continues to grow.

Our Vision

Creating a future of social and economic benefit for people and communities.

Our North star. The future we will build and the lasting impact we will create.

Our Mission

We partner to build, protect and renew infrastructure – integrating specialist capabilities to solve complex challenges and deliver safety, reliability and sustainable value.

Our delivery method. The everyday work we execute to make our vision a reality.

Our Values

Curiosity

We listen deeply, question honestly, and look for better ways to deliver.

Courage

We lead with intent, moving with agility and precision.

Collaboration

We succeed together, look out for each other and work as one team.

Care

We take pride in what we do and ensure everyone feels they belong.

The expectations and principles that guide how we work and treat others.

Our Operations

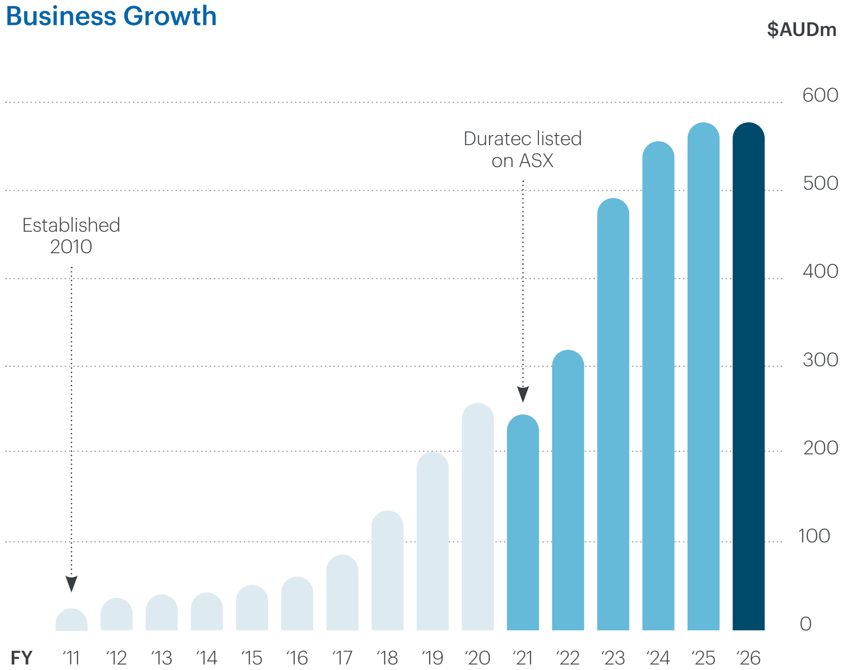
Infrastructure and assets are being pushed harder and further than ever before, and this increased industry-wide intensity is creating a greater demand for fully integrated lifecycle solutions.

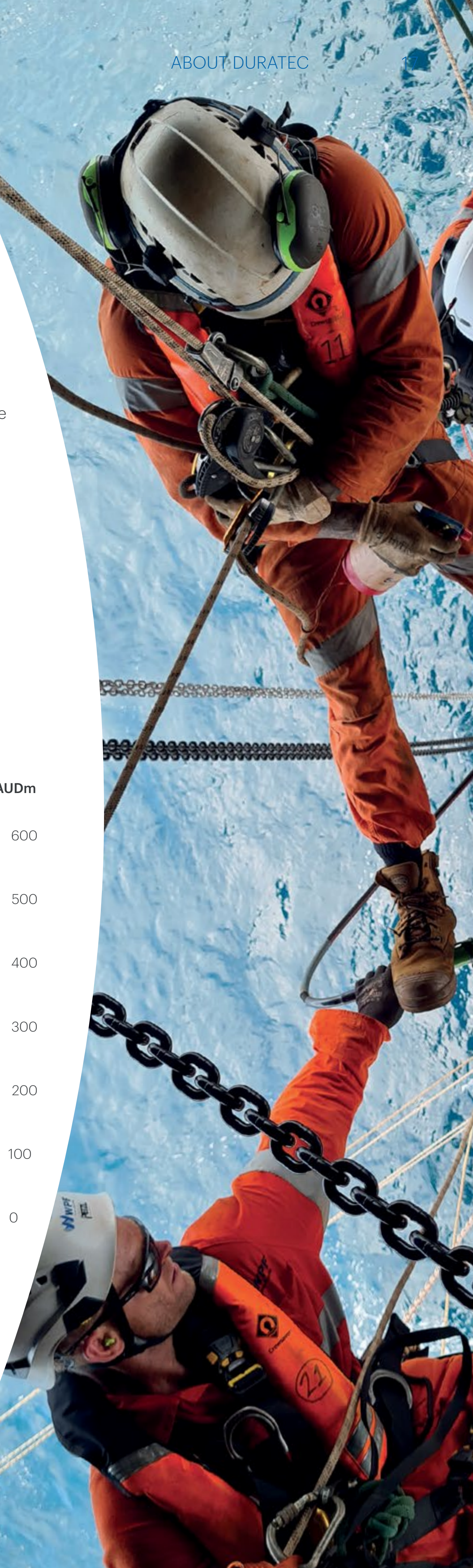
Facing this challenge requires a unique mix of experts covering the complete asset lifecycle. Established in 2010, and publicly listed on the Australian Securities Exchange in 2020, Duratec (ASX: DUR) enables clients to drive maximum value from their activities by solving complex engineering, construction, and remediation challenges.

With the core focus of building, protecting and renewing infrastructure, Duratec, and our subsidiaries, unlock growth in high-compliance, high-value markets providing value for our clients and shareholders.

Our national footprint is supported by local teams led by experienced managers who can rapidly mobilise, combining the scale and capability of a large organisation with the agility and responsiveness of a local business. Clients benefit from our technical expertise, innovative and fit for purpose solutions, and rigorous standards.

Business Growth





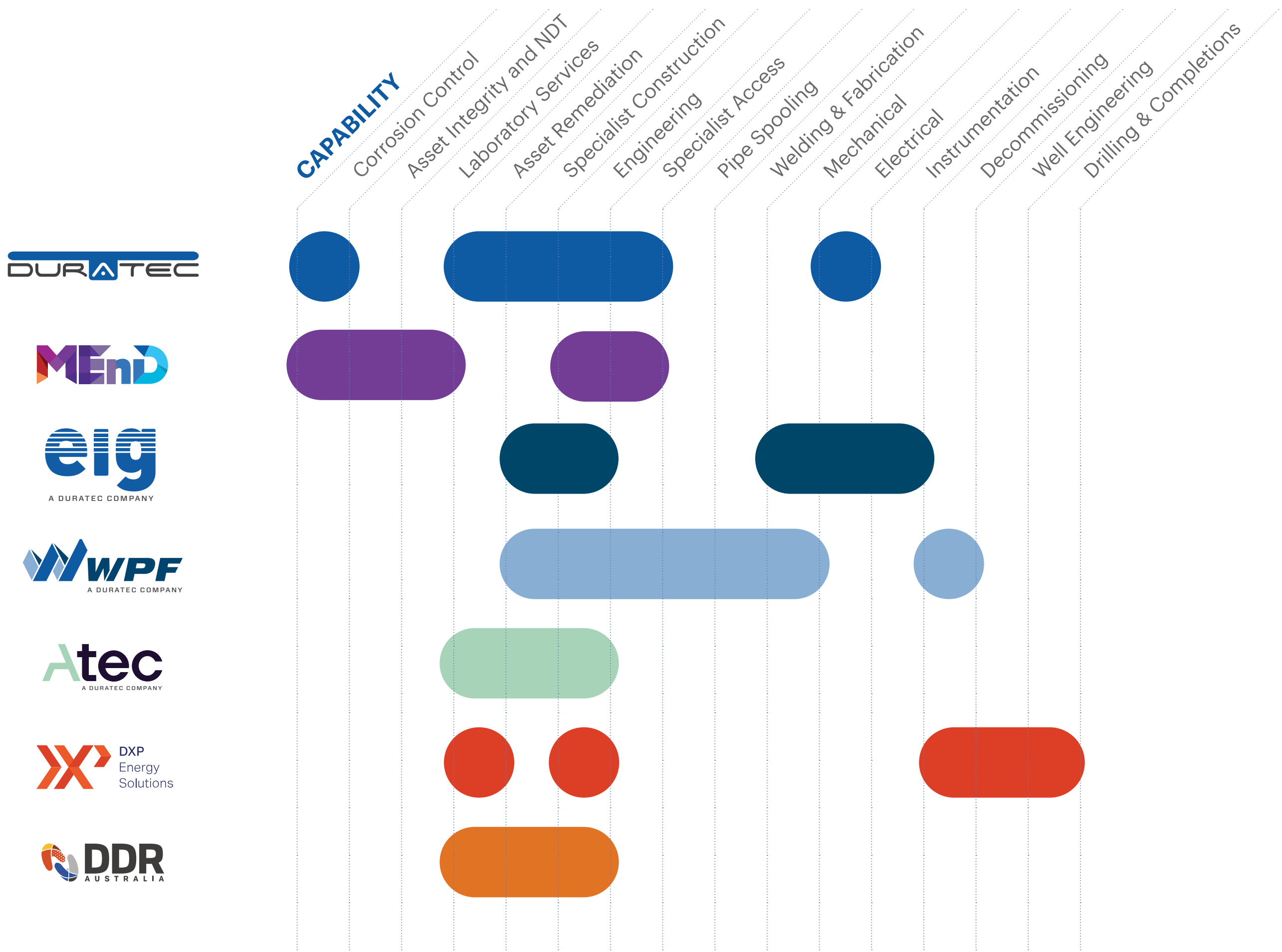
WPF offshore rope access team

Our Portfolio

Duratec provides clients with tailored, in-house solutions and strengthens its capabilities by investing in businesses aligned with its mission. Our complementary subsidiary brands deliver quality, innovation and exceptional value across a range of sectors.

Our portfolio comprises MEnD, WPF, EIG Australia, Duratec PNG, Atec Facades, Hunter Coatings, a 70% interest in DXP Energy Solutions and a 49% stake in DDR Australia. Acquisitions completed by our subsidiary brands include RGK Resources and PWA, which further strengthen the Group's capabilities and service offerings.

With a shared commitment to excellence, these brands leverage their unique strengths to offer services that enhance Duratec's overall offering.



Subsidiaries

Duratec capability includes wholly owned subsidiaries

DDR capability includes wholly owned subsidiary

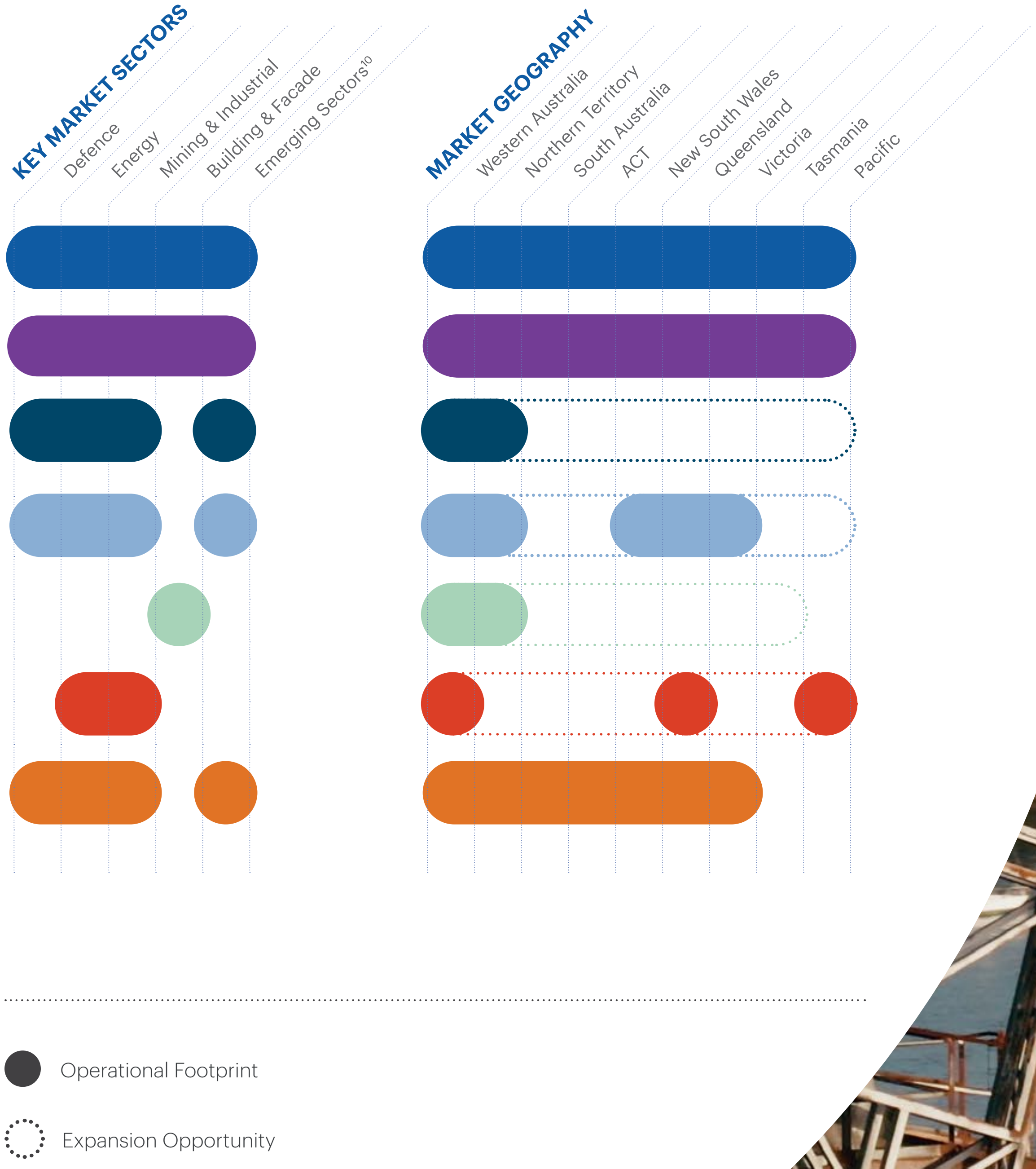
MEnD capability includes wholly owned subsidiary

WPF capability includes wholly owned subsidiary

10 Emerging Sectors, which relates to Marine, Transport Infrastructure, and Water Infrastructure, is disclosed as "Other Segments" in Note 3 of the Financial Statements

From cutting-edge technology solutions to sustainable practices and community impact, our subsidiaries operate independently while collaborating closely to fulfil our vision.

Together, we are redefining industry standards, meeting the evolving needs of our clients and paving the way for a sustainable future.



MEnD inspection 3D model at Cockatoo Island, NSW

FY26 was a year of growth and capability expansion for MEnD Consulting, further strengthening its role as Duratec's specialist technical advisory and asset management business and a key contributor to the Group's Early Contractor Involvement (ECI) model.

Demand strengthened across Defence, Marine, Mining & Industrial, Energy, Infrastructure, Building & Facade and Asset Management markets, with MEnD continuing to provide investigation, engineering, testing and digital advisory services that support informed asset investment, protection and remediation decisions. MEnD also continued to mature its operating model through stronger business controls, improved utilisation discipline and closer integration with Duratec's ECI pathways, enhancing alignment between front-end advisory services and downstream project delivery opportunities.

A major milestone during the year was the establishment of MEnD's Brisbane laboratory, complementing its existing Western Australian operations and strengthening its national platform for materials testing, durability investigations and asset condition assessment services. This investment enhanced service delivery capability on Australia's East Coast while expanding opportunities for early-stage project engagement and technical advisory support.

The acquisition and integration of RGK Resources significantly strengthened MEnD's national capability, adding DNV and NATA-accredited non-destructive testing (NDT) services and specialised inspection technologies, while broadening the business' exposure to Energy, Fuel and Industrial markets. NDT services are typically undertaken during asset investigations, condition assessments and project feasibility stages, providing an additional front-end entry point for Duratec's ECI model. Further investment in inspection technologies enhanced MEnD's ability to provide asset integrity, statutory certification and assurance services for critical infrastructure assets.

Innovation remained a point of difference for the business, with continued advancement of digital reality capture, computer vision, digital defect management and spatially enabled inspection solutions across defence maritime, mining and resources, and power generation assets. These technologies are improving the quality, efficiency and consistency of asset inspections while supporting data-driven asset management outcomes and enhancing Duratec's broader asset lifecycle offering.

MEnD also expanded its involvement in Defence-related advisory services, supporting Defence estate, marine infrastructure and asset management programs through investigation, engineering and technical advisory services. The business continued to strengthen collaboration with major consultants, asset owners and delivery partners, supporting its role in identifying remediation opportunities, informing early investment decisions and reducing project delivery risk.

During the year, MEnD secured its first international engineering project through Newmont's Lihir Main Wharf and RoRo Remediation Study in Papua New Guinea, demonstrating the application of its specialist marine infrastructure expertise in international markets and reinforcing the relevance of its technical capability in complex marine and resources environments.

Entering FY27, MEnD is supported by expanded national capability, deeper integration with Duratec and growing demand for specialist advisory services. Priorities include expanding NDT, cathodic protection and laboratory services, progressing digital engineering capabilities, and strengthening collaboration across the Duratec Group to support integrated asset lifecycle solutions and future project opportunities.

Case Study

Digital engineering for Victoria's water network

MEnD helped GWM Water inspect the remote Mt Cole Dam and Rocklands Tunnel in western Victoria using advanced drone-based photogrammetry, thermal imaging and multi-camera systems.

A DURATEC COMPANY

FY26 represented a defining year for EIG Australia (EIG) as the business successfully integrated into the Duratec Group while continuing to strengthen its position as a specialist provider of electrical, mechanical, instrumentation and fuel infrastructure services.

Throughout the year, EIG broadened its market exposure across the Resources, Energy, Marine and Industrial sectors, leveraging the broader Duratec platform to support sustainable long-term growth.

The business concluded the year with a strong pipeline of secured and prospective opportunities across fuel infrastructure, resources and energy markets.

EIG delivered several strategically important projects during the year, including the Kimberley Marine Support Base (KMSB) fuel bunkering facility in Broome and the Onslow Marine Support Base (OMSB) fuel infrastructure project in the Pilbara. These projects showcased the business's integrated engineering and construction capabilities across fuel storage, transfer, mechanical and electrical infrastructure, reinforcing EIG's reputation as a trusted delivery partner for complex energy and marine infrastructure projects.

Case Study

Complex marine fuel infrastructure across Western Australia's North West

EIG delivered major upgrades at the Onslow Marine Support Base (OMSB) and the Kimberley Marine Support Base (KMSB) through first-of-their-kind bunkering containers: bespoke bunkering containers that integrate metering, hose management and fuel control into a single modular unit.

The business continued to strengthen relationships with major resource and energy clients including Rio Tinto, Fortescue, Santos and Atlas, expanding its involvement across fuel infrastructure upgrades, electrical works, bulk lubrication facilities and operational maintenance services. EIG's growing footprint within the Pilbara resources sector has strengthened client relationships and supported the development of repeat work opportunities, positioning the business to support clients throughout the full asset lifecycle.

Integration with Duratec continued to deliver operational and strategic benefits across safety, systems, finance, human resources and business development. Common systems and processes enhanced collaboration, improved reporting and enabled EIG to access broader national opportunities while maintaining its specialist technical expertise and entrepreneurial culture. Together with the Group's broader energy businesses, EIG supports an integrated service offering spanning engineering, fabrication, fuel infrastructure, construction, maintenance and asset lifecycle solutions. The combination of EIG's liquid fuels expertise and Duratec's fuel infrastructure capability is strengthening the Group's ability to pursue larger and more complex energy projects, including the Jet Fuel Expansion Program at Perth Airport.

Looking ahead, EIG enters FY27 with strong momentum, an expanding pipeline and growing exposure to recurring maintenance, fuel infrastructure and energy sector opportunities. Recently secured projects including the Rio Tinto Bulk Lubrication Facility and fuel infrastructure upgrade works, together with continued investment in engineering capability, specialist fuel systems, master metering solutions, mobile bunkering technology and maintenance services, provide a strong platform for continued growth across Australia's energy, resources and industrial sectors. Supported by Duratec's national platform and complementary energy capabilities, EIG is well positioned to pursue further opportunities and contribute to the Group's long-term objective of becoming a leading asset lifecycle partner to the Energy sector.

WPF
A DURATEC COMPANY

In FY26, WPF delivered a solid operational performance, with the majority of activity undertaken within the Energy sector. Activity levels reflected project timing and the completion of major work packages, while the business remained focused on strengthening capability, expanding its footprint and deepening relationships with key clients.

Its specialist self-perform delivery model continued to support the successful execution of projects across maintenance, fabrication, asset integrity and decommissioning services, contributing to the Energy sector's overall performance during the year.

During the year, WPF expanded its East Coast presence through the establishment of a Queensland workshop in Northgate, including a specialised emergency response pipeline repair and maintenance division and investment in bespoke equipment. The expansion enhances WPF's ability to service remote operating environments and strengthens energy sector capability.

Building on the acquisition of GF Engineering Pty Ltd in FY25, WPF completed the acquisition of Pacific Welding Australia (PWA) in Newcastle, New South Wales (NSW) during Q4 FY26. The acquisition added a 3,200m² fabrication facility to the Group, including 1,000m² of under-roof workshop space, complementary mechanical and fabrication capabilities, and established client relationships in the Hunter Region. PWA is a certified consignment holder of Steel Mains MSCL pipe and licensee of Steel Mains Sintakote Coatings, and is the incumbent main contractor for fabrication, welding and mechanical services at Orica's Kooragang Island Facility in NSW. Combined with Duratec's recent award of a construction management contract at Orica's Hunter Valley Hydrogen Hub (HVHH), the acquisition enhances the Group's capability and access to opportunities across the Energy, Industrial and future Fuels sectors.

Throughout FY26, WPF continued to deliver specialist works for major energy sector clients, including Santos and McDermott. Key projects completed included the Harriet Alpha decommissioning works and the Varanus Island B Tank Refurbishment Project. The latter involved WPF fabricating all new components including the fire foam piping ring main, circumferential girder walkway and various stairway and pipe support components. Further investment in specialised automated welding and preparation equipment strengthened WPF's technical capability, improved project delivery efficiency and enhanced its self-perform service offering. These investments, together with WPF's integrated fabrication, engineering, rope access and project delivery capabilities, reinforce the benefits of its self-perform model.

With operations across Western Australia, the Northern Territory, Queensland, NSW, and Victoria, WPF continues to evolve as a national specialist contractor. The establishment of operations in Gladstone and the acquisition of PWA strengthened the business's East Coast presence and capability. WPF enters FY27 with an expanded footprint, broader client network and enhanced self-perform capability. Continued engagement with key Energy sector clients, including Chevron, Woodside, Inpex, Santos and APA Group, positions WPF to pursue opportunities across maintenance, fabrication, specialist access and decommissioning services while supporting Duratec's growth strategy.

Case Study

Harriet Alpha Offshore Decommissioning – the largest offshore structure ever removed from Australian waters

WPF delivered this offshore decommissioning project comprising an eight-legged jacket substructure, four topside modules, and nine wells requiring Plug and Abandonment (P&A).

WPF Darwin Workshop, NT

DXP
Energy
Solutions

Duratec (PNG) Limited was incorporated in 2024 as the Group's wholly owned operating entity in Papua New Guinea (PNG), providing a platform to pursue opportunities across resources, energy and infrastructure while advancing Duratec's diversification strategy.

During FY26, the business secured its first major contract with Lihir Gold Limited, a subsidiary of Newmont Corporation, marking an important milestone in Duratec's expansion into the PNG market. Supported by local partnerships and the technical capabilities of DXP Energy Solutions (DXP), a joint venture with Duratec Limited, the project demonstrates the Group's ability to leverage specialist expertise across its operations to deliver complex services in new markets and positions Duratec to participate in future investment opportunities across the region.

Duratec (PNG) Limited also supported other strategically important projects that strengthened the Group's presence in PNG. This included MEnD Consulting's first international engineering project through Newmont's Lihir Main Wharf and RoRo Remediation Study, alongside services provided to the PNG Sustainable Development Program. These engagements strengthened local relationships, showcased the Group's capabilities, and created a platform for future growth in the region.

Showcasing DXP Energy Solutions

FY26 marked DXP's inaugural year of operations as the business transitioned from establishment to the delivery of technically complex energy infrastructure projects across Australia and PNG.

During the year, DXP managed the mobilisation and delivery of a major plug and abandonment (P&A) campaign at the Newmont Lihir Operations in PNG, integrating engineering, drilling, coiled tubing, cementing, fishing and specialist well services. The project leverages expertise across the business to deliver specialised services in international markets, supported by strong Australian and local participation.

In addition to its role in PNG operations, DXP secured and successfully delivered concept, FEED and detailed engineering work for onshore gas infrastructure in Queensland while building a pipeline across Australia and PNG, including well engineering, drilling and completion, decommissioning and well P&A, operations and maintenance (O&M), and energy infrastructure EPC.

During its first year, DXP established a scalable operating model that combines Duratec's governance and corporate capability with energy sector expertise, while developing strategic partnerships with specialist energy service providers. Together, these foundations support future growth across the energy infrastructure lifecycle.

A key differentiator for DXP is its integrated delivery model, which brings together engineering and field execution under a coordinated management structure to improve planning, strengthen accountability and support the efficient delivery of technically complex projects. The successful mobilisation of an integrated well intervention and abandonment package into PNG demonstrated the effectiveness of this approach. More than 50% of personnel engaged on the project were PNG nationals, reflecting DXP's commitment to local participation and capability development.

DXP strengthens Duratec's capability across the Energy sector and expands the Group's participation in ongoing investment across Australia, PNG and the broader Asia-Pacific region. With an established operating model, specialist technical expertise and an expanding opportunity pipeline, the business supports Duratec's strategy of broadening its participation in technically complex energy infrastructure markets and supporting long-term shareholder value.

Case Study

Plug and abandonment (P&A) services in Papua New Guinea for Lihir Gold Limited, a subsidiary of Newmont Corporation

The scope of work for DXP includes the provision of integrated services to safely execute well P&A activities, with a portion of the contract scope relating to Phase 1 of the Lihir Nearshore Soil Barrier (NSB) Project.

In total there are 19 wells that require abandoning and securing. Duratec (PNG) Limited and DXP will deliver the project leveraging experienced personnel from across the Group, together with established subcontractors with extensive technical and local experience.

DDR AUSTRALIA

DDR Australia Pty Ltd (DDR) is an equity accounted investment owned by Duratec (49%) and Hutcheson & Co Holdings Pty Ltd (51%).

Case Study

Vehicle Infrastructure Upgrade Works at RAAF Amberley to Cater for LAND 121 Phase 3 B Support Capability of HX-77 Military Vehicles

DDR constructed wash bays, a weighbridge, loading bays, and upgraded fuel equipment to meet current and future operational capability.

DDR, supported by RC Construction, operates as a vertically integrated, majority Aboriginal-owned infrastructure company delivering complex civil, structural and building projects across Defence, government and industrial sectors. In FY26, the consolidated DDR Group delivered full-year revenue of $108.7m (FY25: $113.9m). DDR's integrated model combines Tier 1 governance, risk management and lifecycle delivery capability with self-perform civil and concrete expertise from RC Construction, enhancing delivery certainty, cost control and Aboriginal participation outcomes.

During FY26, DDR maintained a steady work-in-hand position supported by a strong pipeline of Defence and infrastructure opportunities. The business strengthened its Defence sector position through ongoing Estate Works delivery and participation in major Defence infrastructure opportunities. Integration benefits from RC Construction continued to be realised, supporting improved delivery capability, program certainty and operational efficiency. DDR's commitment to Aboriginal engagement is integral to its business model, with Aboriginal people representing more than 25% of its workforce and Aboriginal enterprises accounting for over 30% of its supply chain spend in FY26, delivering measurable social, economic, and capacity-building outcomes for Aboriginal and Torres Strait Islander people across Australia.

RC Construction expanded into the Northern Territory and commenced works on the Darwin Ship Lift Project. The business continued to deliver and progress technical design-and-construct packages across a range of projects, while integrating RC Construction into the DDR operating model strengthened end-to-end delivery capability. Investment in plant and equipment enhanced self-perform civil capability and supported growth across existing and emerging markets. DDR also expanded its operational footprint in the Northern Territory and regional locations, strengthening its national presence.

Throughout FY26, DDR continued integrating project management, Early Contractor Involvement (ECI) and self-perform construction capability to improve project outcomes and delivery certainty. The business expanded its self-perform civil and concrete capability through investment in plant, engineering expertise and workforce capability. Strategic diversification continued across environmental remediation, infrastructure upgrades and specialist Defence infrastructure markets.

Aboriginal procurement and participation outcomes remained embedded within project delivery, supported by community engagement initiatives, regional employment opportunities and industry partnerships. The business maintained focus on delivering projects in highly regulated environments while meeting safety, environmental and Defence-specific requirements. Workforce growth, leadership capability and investment in training and professional development supported continued business growth. Particular emphasis remained on cultural awareness, inclusion and Aboriginal employment pathways, contributing to strong Indigenous workforce participation, retention and career development outcomes.

Looking ahead, DDR is focused on disciplined growth across Western Australia, Queensland and the Northern Territory, supported by continued investment in self-perform capability, plant and equipment. Priorities include progressing Defence infrastructure opportunities, strengthening program control and delivery certainty, and expanding participation across Defence, government and infrastructure markets while maintaining its differentiated Aboriginal participation model.

CFO's Report

Through disciplined project selection, increased self-perform capability and the successful integration of strategic acquisitions, the Group expanded its gross margin to 20.5% and increased Normalised EBITDA by 10.5% to $58.5m.

Revenue & Profitability

Duratec reported consolidated revenue of $570.3m for FY26, broadly in line with FY25 revenue of $573.0m, while improving gross margins and growing Normalised EBITDA[11] through disciplined project selection and execution, and targeted acquisitions that expanded the Group's self-perform capability.

The result reflected the benefits of the Group's diversified operating model, with growth in Building & Facade, Energy and Emerging Sectors[12] partly offset by the timing of project awards in Defence and Mining & Industrial.

Building & Facade delivered revenue of $138.8m, up 24.1% on FY25, supported by demand for commercial building remediation, university infrastructure upgrades and façade replacement programs. Gross margin was 19.9%, reflecting specialist façade capability and selected heritage restoration and complex cladding projects.

Energy revenue increased 11.0% to $91.6m, driven by oil and gas maintenance, fuel infrastructure and engineering services across multiple states, including offshore platform maintenance and onshore gas facility work in Western Australia and the Northern Territory. Gross margin was 25.3% (FY25: 28.9%), reflecting the composition of projects delivered in the year.

Emerging Sectors generated revenue of $67.8m, up 11.8%, with activity across infrastructure and marine projects including pier construction, wharf remediation and public access maintenance for state government agencies. Gross margin was 18.2% (FY25: 17.3%), supported by a favourable mix of infrastructure and marine works performed during the year.

Defence revenue was $157.8m, down 13.0% on the prior year, reflecting the phasing of major programs. Gross margin improved to 17.4% (FY25: 13.0%), supported by disciplined project execution and higher-margin work. The sector remains well positioned to pursue opportunities associated with Defence estate maintenance, infrastructure investment and long-term Defence capability programs, including AUKUS-related activity.

Mining & Industrial revenue was $114.3m, down 16.3%, reflecting the timing of project works. Gross margin strengthened to 23.0%, reflecting a shift toward higher-value structural integrity and maintenance work.

The Group's gross profit margin improved to 20.5% (FY25: 18.6%), supported by an increased proportion of self-perform works, disciplined project selection and continued utilisation of Early Contractor Involvement (ECI) delivery models.

Overheads increased during FY26 as the Group invested to support future growth, including acquisition activity, tendering for strategic opportunities, business systems enhancements and the integration of acquired entities.

Equity-accounted investment results included DDR Australia (DDR), in which Duratec holds a 49% ownership interest. Duratec's share of DDR's profit contribution was $0.3m, with a further $3.2m received as dividends during the year. Total returns from the investment were broadly consistent with FY25 and supported by continued performance within the Defence Phoenix portfolio. Newly formed DXP Energy Solutions, in which Duratec holds a 70% ownership interest, is also equity-accounted with results reflecting the start-up phase of the business.

Normalised EBITDA increased 10.5% to $58.5m, supported by improved project profitability and DDR's contribution. Net profit after tax margin was 4.2%, broadly consistent with FY25, demonstrating the Group's ability to maintain earnings while continuing to invest for future growth.

Balance Sheet & Cash Flow

Duratec's balance sheet strengthened during FY26, with net assets increasing 26.2% to $93.8m (FY25: $74.3m), reflecting operating performance and continued investment in strategic growth initiatives.

The year closed with cash of $78.8m, a decrease of $5.3m from FY25. The movement reflected investment in acquisitions and organic growth initiatives. Cash conversion was 74%, below the prior year, primarily due to the timing of project milestone payments at year end. The reduction was timing-related, with trade debtor balances remaining well controlled and the Group maintaining a strong liquidity position.

Total debt facilities increased 16.8% to $343.5m (FY25: $294m), reflecting increased CBA banking facilities and providing additional headroom within the multi-option facility to support future growth and strategic acquisitions.

Trade debtors were $58.4m, down 4.9% from FY25, reflecting continued collection discipline. Contract assets increased to $53.2m (FY25: $24.8m),

11 Normalised EBITDA adjusts equity-accounted associate earnings to an EBITDA basis and excludes one-off acquisition, integration and business systems improvement costs

12 Emerging Sectors, which relates to Marine, Transport Infrastructure, and Water Infrastructure, is disclosed as "Other Segments" in Note 3 of the Financial Statements

driven by increased project activity at year end and revenue recognised on contract milestones that had not yet been invoiced.

Intangible assets increased to $32.7m (FY25: $13.1m), primarily due to acquisitions completed during FY26. Property, plant and equipment increased 7.9% to $40.1m, reflecting investment in operational capability.

Right-of-use assets increased 25.7% to $16.9m, with related lease liabilities increasing 30.8% to $18.3m, reflecting the Group's expanded operational footprint. Total borrowings increased by $3.6m to $39.0m, reflecting funding utilised for acquisitions, working capital and ongoing investment in operational assets.

Contingent consideration payable of $10m relates to FY26 business acquisitions and remains subject to agreed performance milestones.

The Group ended FY26 with a strong balance sheet, providing the flexibility to support organic growth initiatives, pursue strategic acquisitions and continue investing in operational capability.

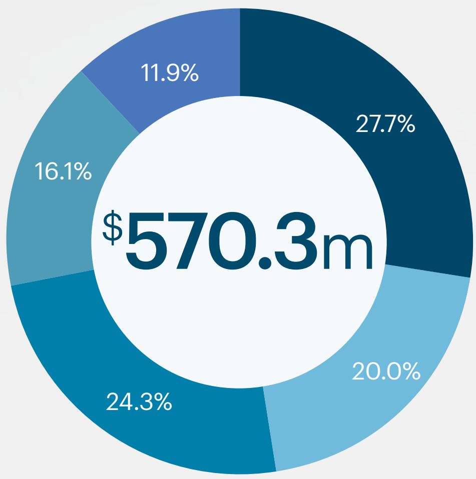
Shareholder Returns

The Board resolved to pay a fully franked final dividend of 2.5 cents per share, bringing total dividends for FY26 to 4.25 cents per share. This is consistent with the Board-approved dividend policy range of 30% to 50% of after-tax profits and reflects the Board's approach to balancing shareholder returns with funds retained to support future growth opportunities.

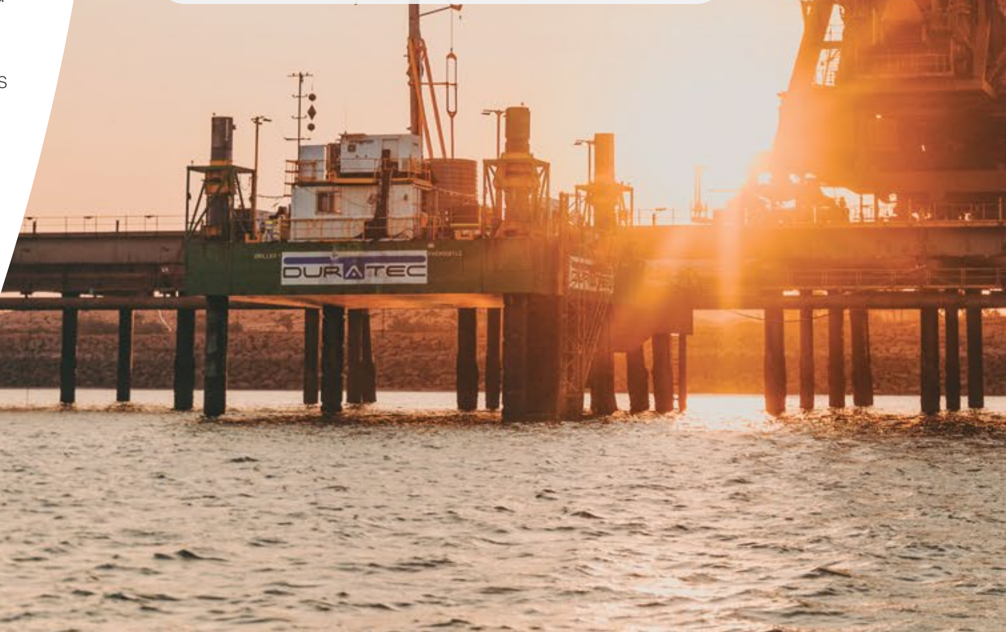
A Muirhead

Ashley Muirhead
Chief Financial Officer

FY26 Revenue by Operating Segment



- Defence
- Mining & Industrial
- Building & Facade
- Energy
- Emerging Sectors[12]



Jack Up Barge (JUB) Berth C&D Port Hedland, WA

Industry Sectors at a Glance

Defence

Defence remains a cornerstone of Duratec's growth strategy. Our long-term relationships with Defence clients, prime contractors, and key industry partners, together with our dedicated security officers and DISP accreditation, provide a solid foundation for sustained growth in the Defence sector. We understand the critical nature of Defence projects and key focus areas for FY27 include scaling delivery capability to support larger and more complex programs and further expanding self-perform and technical service offerings.

↓ 13.0% from $181.4m in FY25

Revenue

$157.8m

↑ from 13.0% in FY25

Gross Margin

17.4%

↑ from 6.9% in FY25

EBITDA Margin

8.4%

Mining & Industrial

Consistent with prior periods, the sector maintains a strategic focus on securing long-term Master Service Agreements (MSAs) and annuity-style work, while balancing delivery of large-scale structural integrity projects with long-duration maintenance programs. MEnD's digital condition assessment capabilities enhance this approach which continues to support revenue visibility, operational efficiency, and margin resilience.

↓ 16.3% from $136.6m in FY25

Revenue

$114.3m

↑ from 20.3% in FY25

Gross Margin

23.0%

↓ from 9.6% in FY25

EBITDA Margin

8.1%

Building & Facade

Duratec's in-house design capabilities, ECI model, and national delivery footprint position us as a preferred partner for safe, efficient, and compliant solutions for multistorey façade refurbishments and heritage restorations. Atec Facades is dedicated to delivering high-quality and complex façade builds bringing additional technical expertise in design, procurement, fabrication and installation.

↑ 24.1% from $111.9m in FY25

Revenue

$138.8m

↑ from 18.4% in FY25

Gross Margin

19.9%

↑ from 7.6% in FY25

EBITDA Margin

9.4%

13 Emerging Sectors, which relates to Marine, Transport Infrastructure, and Water Infrastructure, is disclosed as "Other Segments" in Note 3 of the Financial Statements

Energy

With the continued expansion of the Group's specialist energy capabilities, the acquisition of EIG Australia, strengthens Duratec's electrical and fuel systems expertise, while the ongoing integration and growth of WPF, together with the acquisition of PWA, significantly enhances the Group's fabrication, mechanical, maintenance, shutdown and asset integrity capabilities. The establishment of the joint venture DXP Energy Solutions, further broadens the Group's service offering, creating an integrated platform capable of supporting clients throughout the full asset lifecycle, from constructability and fabrication through to operations, maintenance, decommissioning and rehabilitation.

↑ 11.0% from $82.5m in FY25

Revenue

$91.6m

↓ from 28.9% in FY25

Gross Margin

25.3%

↑ from 14.6% in FY25

EBITDA Margin

14.7%

Emerging Sectors[13]

Marine, Transport Infrastructure, and Water Infrastructure are fundamental assets that need to remain fit for purpose and operational. From bridges and wharves to our water and fuel delivery networks, our integrated capability means we work with our clients to diagnose issues and formulate remediation strategies to extend the life of these critical assets.

↑ 11.8% from $60.6m in FY25

Revenue

$67.8m

↑ from 17.3% in FY25

Gross Margin

18.2%

↓ from 4.1% in FY25

EBITDA Margin

3.2%

240 St George's Terrace, Perth, WA

Defence Business Review

Defence generated revenue of $157.8m during FY26, compared with $181.4m in FY25, reflecting the phasing of major programs across the sector. Despite this, demand remained supported by ongoing activity across the Estate Works Program (EWP), major capital upgrades and critical infrastructure remediation projects. Gross margin improved to 17.4% from 13.0% in the prior year, supported by disciplined project selection, effective cost management and a favourable mix of work. With a diversified portfolio spanning land, air, naval and joint Defence facilities, Duratec continued to strengthen its position across strategically important Defence infrastructure markets. Long-standing relationships with Defence clients, prime contractors and industry partners contributed to a solid pipeline of opportunities, while the expansion of self-performed works capability and participation in major Defence programs continued to build momentum across the sector and support sustainable long-term growth.

During FY26, Duratec commenced works through the Duratec Ertech Joint Venture (DEJV) on Diamantina Wharf for the infrastructure upgrades to support future nuclear submarine capability at HMAS Stirling. Building on the successful Early Contractor Involvement (ECI) phase, the project represents an important milestone in Duratec's continued participation in strategically important Defence infrastructure programs. The commencement of works at HMAS Stirling further positions Duratec to support infrastructure investment associated with the AUKUS Submarine Rotational Force West (SRF-West) program, which is expected to drive significant Defence infrastructure activity over the coming decade. The business also finalised construction works at HMAS Coonawarra, reinforcing its capability to deliver complex marine infrastructure projects within operational Defence environments while maintaining strong stakeholder engagement and program delivery outcomes.

Duratec continued to strengthen its capability during FY26 through investment in self-perform delivery, technical capability and operational systems. Enhanced project controls, digital integration and data-driven planning processes supported delivery efficiency across the portfolio, while ongoing investment in asset remediation technologies and specialist infrastructure solutions supported increasingly complex project requirements. The business also expanded its capability across fuel infrastructure, marine infrastructure and other high-compliance environments, reinforcing its capacity to support Defence's evolving infrastructure needs and future program opportunities. During the year, Duratec achieved ISO 19443 accreditation, becoming the first construction company in Australia to attain the international quality management standard for organisations operating within the nuclear sector supply chain. This achievement demonstrates Duratec's capability to operate in highly regulated environments and further strengthens its position to support Defence and other strategically important infrastructure programs requiring the highest standards of quality, compliance and assurance.

Duratec continued to support broader sustainability initiatives across its operations during FY26, including the ongoing trialling of Battery Energy Storage Systems (BESS) to reduce diesel consumption and lower greenhouse gas emissions across project sites. The business also delivered works in accordance with the Australian Government's Environmentally Sustainable Procurement Policy (ESPP), supporting clients in meeting evolving environmental and sustainable procurement requirements. Investment in workforce capability remained a priority throughout the year, with targeted recruitment, specialist training and leadership development strengthening the skills required to deliver increasingly complex projects across Defence and other key sectors. Duratec also continued to foster a culture of accountability, safety leadership and high-performance delivery, supported by clear career development pathways and exposure to a diverse range of projects across the Group. These initiatives support the continued development of the capability, capacity and culture required to deliver complex Defence infrastructure programs and support future sector growth.

Duratec continued to strengthen its position across strategically important Defence infrastructure markets

Looking ahead, the outlook for the Defence sector remains positive, supported by sustained Australian Government investment in Defence infrastructure, estate uplift programs and strategic capability projects. Duratec continues to see a solid pipeline of opportunities across Defence estate upgrades, fuel infrastructure, marine infrastructure and sustainment works aligned with Defence's long-term priorities. The momentum established during FY26 supports Duratec's capacity to pursue larger and more complex programs, supported by continued investment in self-perform capability, technical service offerings and strategic partnerships with Defence clients, prime contractors and industry stakeholders. A continued focus on operational discipline, margin performance, sustainability initiatives and Indigenous participation will support the delivery of long-term value across the sector. Supported by long-standing client relationships, technical capability, self-perform delivery and a national footprint, Duratec remains well positioned to support future Defence infrastructure investment and sustainable long-term growth.

↓ 13.0% from $181.4m in FY25

Revenue

$157.8m

↑ from 13.0% in FY25

Gross Margin

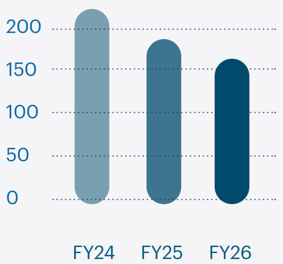
17.4%

↑ from 6.9% in FY25

EBITDA Margin

8.4%

Revenue Trend
$AUDm



Defence Sector Case Study

Package of Works at HMAS Stirling

Through the Duratec Ertech Joint Venture (DEJV), Duratec is delivering a $281m infrastructure upgrade at HMAS Stirling's Diamantina Wharf in Western Australia to support future submarine capability under AUKUS. Early works commenced in January 2026 under a separate $9.2m contract, alongside procurement of long-lead items. Following final design approval, the project has transitioned from the ECI Planning Phase into full delivery, bringing the total contract value to almost $300m.

HMAS Coonawarra, NT

↓ 16.3% from $136.6m in FY25

Revenue

$114.3m

↑ from 20.3% in FY25

Gross Margin

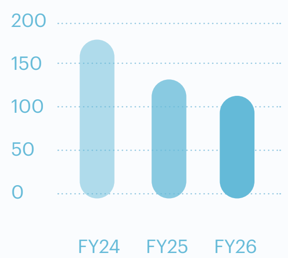
23.0%

↓ from 9.6% in FY25

EBITDA Margin

8.1%

Revenue Trend
$AUDm



Mining & Industrial Sector Case Study

Berth C&D Structural Refurbishment Project

Duratec successfully delivered a $76m wharf remediation project, with expanded scope. Leveraging Early Contractor Involvement, the team utilised detailed spatial mapping and 3D modelling to overcome tidal, access, and shutdown challenges. Innovative marine platforms, bespoke scaffolding, and hybrid access strategies ensured seamless execution. Duratec maintained financial alignment while resolving all defects and integrating variation works – delivering a future-ready asset with precision and innovation.

- Winner – 2025 Award for Wharves | Marine Structures (Client: BHP)
- Winner – 2025 Award for Industrial | Marine Structures (Client: BHP)

Berth C&D Team at Port Hedland, Pilbara, WA

Mining & Industrial Business Review

Duratec's Mining & Industrial (M&I) sector delivered revenue of $114.3m in FY26 (FY25: $136.6m), a decline of 16.3% on the prior year, reflecting timing delays in project awards. Despite the softer revenue performance, gross margin improved to 23.0% (FY25: 20.3%), reflecting a greater proportion of higher-value structural integrity and maintenance work. The sector remained underpinned by strong client relationships, a diversified project pipeline, continued investment in self-perform capability and targeted geographic growth. Activity remained concentrated in Western Australia, with increasing strategic focus across the East Coast. This was further supported by the acquisition of Hunter Coatings in the Hunter Valley, NSW, which enhances Duratec's industrial coatings capability, local mining presence and broader service offering.

The sector maintained a strategic focus on securing long-term Master Services Agreements (MSAs) and annuity-style work, while balancing delivery of large-scale structural integrity projects with long-duration maintenance programs. This approach supports revenue visibility, operational efficiency, and margin resilience.

In the Pilbara, Duratec strengthened its position with tier-one clients including BHP and Hancock Iron Ore. The partnership with BHP remained a key driver of activity, with an expanding pipeline across balanced machines upgrades, asset life remediation, wharf upgrades, and decommissioning programs. The Rio Tinto High-Grade Screen House project progressed strongly, with additional scope being completed. Delivery highlights included the execution of works at the Yuri Renewable Hydrogen and Ammonia Project alongside further rail and port infrastructure awards, including Phase 1 and 2 of the Under Harbour Tunnel (UHT) Remediation at Port Hedland.

Duratec continued to broaden its portfolio, including increased engagement with Hancock Iron Ore, where Duratec is currently delivering the Hancock Loco Rebranding project and establishing a presence with Pilbara Minerals. A focus on lower-value, long-duration projects (~$2m–$10m) continued to provide a reliable base of recurring work.

A balanced portfolio of major projects and recurring maintenance work positions M&I for disciplined growth into FY27 and beyond

Investment in capability remained a priority, with the acquisition of a facility in Port Hedland enhancing local delivery. Innovation initiatives, including the application of induction coating removal technology, supported additional project awards including thickener works at Rio Tinto's Yandicoogina mine, while ongoing workforce development initiatives continue to build capability.

Elsewhere, Duratec strengthened its partnership with Newmont supported by workforce growth. Investment in ultra-high-pressure equipment and robotic units has improved productivity and reduced risk exposure, while leadership development programs continue to support consistent, high-quality delivery. Growth across the Goldfields and Midwest was supported by increased activity at remote sites and targeted leadership appointments.

Duratec continued to expand across key mining regions outside Western Australia. In South Australia, groundwork at BHP Olympic Dam progressed, positioning the business for increased activity in FY27. In New South Wales, multi-year MSAs with Glencore, Hunter Valley Operations and Bloomfield strengthened Duratec's position in the Hunter Valley and support expansion into adjacent regions.

In Queensland, the establishment of a new branch in Gladstone enhances Duratec's ability to self-perform across mechanical, access and non-destructive testing services, supporting growth in central Queensland. In the Northern Territory, increased engagement with Rio Tinto and Glencore, supported by a new three-year MSA with Rio Tinto, provides a steady pipeline of work.

The outlook for the M&I sector remains positive, supported by continued demand for remediation, maintenance and asset integrity services across ageing mining and industrial infrastructure. Duratec is well positioned to pursue these opportunities through its established client relationships, expanded national footprint and continued focus on self-perform delivery.

The sector will remain focused on converting strategic relationships into long-term contracts, investing in workforce capability and adopting technologies that support productivity and safety. With a balanced portfolio of major projects and recurring maintenance work, M&I is positioned to support disciplined growth into FY27 and beyond.

Building & Facade Business Review

Duratec's Building & Facade (B&F) sector built on momentum established in prior years to deliver a strong financial performance in FY26, generating revenue of $138.8m (FY25: $111.9m) and gross margin of 19.9% (FY25: 18.4%). Performance was supported by a diversified portfolio of façade remediation, heritage restoration, roofing, glazing, waterproofing and building remediation projects, supported by growing levels of Early Contractor Involvement (ECI) and design-led delivery. Consistent with the Group's strategic priorities, the sector continued to broaden its service offering, strengthen client relationships and leverage its technical expertise, digital engineering capability and national footprint to secure increasingly complex and higher-value projects.

In South Australia, the business continued to strengthen its position across building remediation, façade refurbishment and heritage restoration. Key achievements included the successful completion of a large-scale live apartment façade rectification project and commencement of a significant design-and-construct hospital façade enhancement project. The team also provided ECI services for a major commercial office refurbishment and the restoration and fit-out of Ayers House. The subsequent award of the Ayers House main works package demonstrated the value of Duratec's collaborative delivery model, technical capability and long-standing client relationships.

The ACT/south New South Wales division delivered strong growth across residential, commercial and government markets. Major milestones included completion of Canberra's largest residential recladding project at Glebe Park Residences and the award of two commercial recladding projects for Charter Hall in the Canberra CBD. The division also secured its first Managing Contractor engagement for the Alexander Maconochie Correctional Centre roofing replacement project, expanding its capability to deliver projects under alternative procurement and delivery models.

In New South Wales (NSW), the business continued to build on experience gained through major remediation and refurbishment projects including Market City (Paddy's Markets), the Camden University recreation upgrade and the Queen Victoria Building skylight refurbishment. During FY26, the team completed projects for major universities and the NSW Police while continuing to support clients with combustible cladding replacement, fit-outs, glazing upgrades, roofing works, waterproofing and building services improvements. The division also secured its largest project to date, a landmark remediation project in the Sydney CBD, reflecting growing client confidence in Duratec's ability to deliver complex projects in live environments.

Strong financial performance supported by a diversified portfolio

Victoria and Tasmania continued to experience subdued market conditions and heightened competition. In response, the team maintained a disciplined approach to project selection while expanding ECI engagement with key national clients. Strong relationships with government and institutional clients supported a resilient pipeline of façade remediation, heritage restoration, glazing and compliance-driven projects.

Queensland delivered continued growth in both revenue and capability. A key highlight was the conversion from ECI to main works of a major façade refurbishment project on a prominent high-rise building in Brisbane CBD, providing a significant multi-year project that will underpin activity in the region.

The business also expanded its service offering across roofing, heritage restoration and internal remediation projects for clients including Dexus, Stadiums Queensland and the Department of Education. Continued investment in people, systems and equipment strengthened the division's regional capability and profile in the Queensland market.

Showcasing – Atec Facades

During the year, Duratec formally launched Atec Facades (Atec), a specialist façade supply-and-install business established to support complex commercial and institutional construction projects. Operating alongside the B&F division, Atec expands the Group's capability beyond remediation and refurbishment into the delivery of new-build façade systems. The subsidiary brings deep technical expertise across early design development, procurement, fabrication and installation, enabling Duratec to participate in a broader range of façade opportunities while providing clients with an integrated delivery solution across the full project lifecycle. Supported by the Group's in-house design capability, digital engineering expertise and national delivery footprint, Atec strengthens Duratec's position within the building and façade market and creates a platform for continued growth in specialist façade construction.

The B&F division enters FY27 with a strong pipeline of opportunities across remediation, heritage restoration, roofing, glazing and building upgrade works. Increasing ECI engagement, growing demand for specialist façade solutions and the sector's national delivery footprint support continued participation in larger and more complex projects. Combined with the establishment of Atec Facades and its expansion into the new-build façade market, the sector is well positioned to strengthen client relationships, broaden its service offering and build on the momentum achieved in FY26.

↑ 24.1% from $111.9m in FY25

Revenue

$138.8m

↑ from 18.4% in FY25

Gross Margin

19.9%

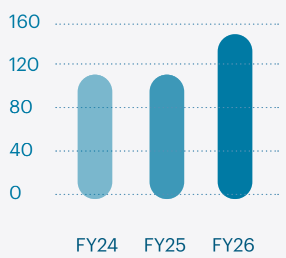
↑ from 7.6% in FY25

EBITDA Margin

9.4%

Revenue Trend

$AUDm



Building & Facade Sector Case Study

Market City Heritage Remediation Project

Duratec delivered the design and construction of heritage remediation works at Market City, Haymarket, for Jen Retail. The project included a custom temporary access system with a hoist to replace one-tonne heritage sandstone blocks while maintaining public access. Duratec also designed and installed compliant hoarding and scaffolding, upgraded the façade lighting, and completed seismic stabilisation works, preserving the building's heritage character while improving safety and structural resilience.

Front façade of iconic heritage Market City, Sydney, NSW

↑ 11.0% from $82.5m in FY25

Revenue

$91.6m

↓ from 28.9% in FY25

Gross Margin

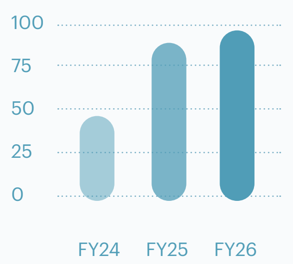
25.3%

↑ from 14.6% in FY25

EBITDA Margin

14.7%

Revenue Trend
$AUDm



Energy Sector Case Study

Fuel Infrastructure Works for the New Western Sydney Airport

Duratec was engaged by Multiplex to deliver the 10.2km aviation fuel hydrant main pipeline for the Western Sydney International (Nancy-Bird Walton) Airport. The project included extensive earthworks, welded fuel pipework, 78 hydrant points, valve chambers and supporting electrical infrastructure. Leveraging experience gained through Defence fuel projects, Duratec successfully delivered critical fuel infrastructure that supports airport operations and future growth, while reinforcing its strategic expansion into the energy sector.

Western Sydney Airport, NSW

Energy Business Review

FY26 represented a defining year for Duratec's Energy sector as the business continued to strengthen its position as a diversified energy service provider focused on maintenance, asset integrity, fuel infrastructure and decommissioning.

The sector delivered revenue of $91.6m (FY25: $82.5m) and gross margin of 25.3% (FY25: 28.9%), underpinned by sustained demand for maintenance, fuel infrastructure and engineering services across multiple jurisdictions, including offshore energy assets and onshore gas facilities in Western Australia and the Northern Territory. Duratec's Energy sector is underpinned by a portfolio of specialist subsidiaries, including WPF, EIG Australia, MEnD Consulting and RGK Resources, together with the DXP Energy Solutions joint venture, each providing critical services required to deliver complex and highly regulated energy infrastructure projects. While activity levels were impacted during the first half by the timing of major project awards and the completion of several large-scale work packages, the Group remained focused on building long-term capability, expanding recurring revenue streams and deepening strategic client relationships across the energy market.

A key achievement during the year was the continued expansion of the Group's specialist energy capabilities. The acquisition of AMD Electrical Pty Ltd, trading as EIG Australia, strengthened Duratec's electrical and fuel systems expertise, while the acquisition of RGK Resources expanded the Group's specialist resources and energy services offering. The ongoing growth of WPF and the acquisition of Pacific Welding Australia (PWA) significantly enhanced the Group's fabrication, mechanical, maintenance, shutdown and asset integrity capabilities. The establishment of DXP Energy Solutions further broadened the Group's service offering, creating an integrated platform capable of supporting clients throughout the full asset lifecycle, from constructability and fabrication through to operations, maintenance, decommissioning and rehabilitation.

Throughout FY26, Duratec successfully delivered a number of strategically important projects across the oil & gas, marine and fuel infrastructure sectors, demonstrating the breadth of the Group's expertise across both operating and end-of-life assets. Project highlights included the Santos Varanus Island B Tank Refurbishment Project, the completion of the Harriet Alpha Decommissioning Project on the North West Shelf, the King Bay Supply Base Wharf Refurbishment Project for Woodside Energy, ongoing maintenance and upgrade works at the Inpex Ichthys LNG Facility, Sydney Airport fuel infrastructure upgrade works, and the delivery of fuel infrastructure installations for both the Kimberley Marine Support Base and Onslow Marine Support Base. These projects reinforced Duratec's reputation as a trusted delivery partner capable of executing complex and technically demanding scopes in challenging operating environments.

The year also marked a significant step forward in the Group's strategy to build a sustainable maintenance-based energy business. Duratec expanded its presence with major energy operators including Santos, Woodside, Inpex, APA Group and other key industry participants, securing maintenance, fabrication, access, inspection and specialist services contracts across multiple operating assets. This approach is designed to provide greater earnings resilience through recurring maintenance and sustainment activities, while positioning the Group to capture larger project turnaround and decommissioning opportunities throughout the asset lifecycle.

A defining year for Duratec's Energy sector as the business continued to strengthen its position as a diversified energy service provider

The Energy sector enters FY27 with strong momentum, supported by a growing portfolio of maintenance, fabrication and infrastructure opportunities across Australia and Papua New Guinea. Strategic contract awards secured during the latter stages of FY26 include a national services agreement covering tank and fixed asset maintenance for a major fuel infrastructure provider operating across multiple locations throughout Australia and New Zealand, the mobilisation and delivery of a major plug and abandonment campaign at Newmont's Lihir operations in Papua New Guinea, ECI services as part of the design of the Jet Fuel Expansion Program for Perth Airport, a construction management contract at Orica's Hunter Valley Hydrogen Hub (HVHH), Stage 2 Sydney Airport fuel infrastructure works, and fabrication and installation opportunities associated with the Waitsia (Stage 2B) development. Together with ongoing maintenance and sustainment works for Santos, Woodside, Inpex, Chevron and other major operators, these activities provide a strong platform for continued growth and support the continued development of Duratec's Energy sector as a trusted provider of asset lifecycle services across Australia and the Asia-Pacific region.

Emerging Sectors Business Review

Duratec's Emerging Sectors, comprising Marine, Transport Infrastructure and Water Infrastructure, delivered a strong financial performance in FY26, generating revenue of $67.8m (FY25: $60.6m) and gross margin of 18.2% (FY25: 17.3%). The result reflected increased project activity and a stronger earnings contribution from a broader and more diversified portfolio of marine and infrastructure projects, including wharf and pier upgrades, remediation works and public asset maintenance programs. Performance was further supported by continued investment in capability development, broadening market exposure and successful project delivery across an increasingly national footprint. Throughout FY26, the sector benefited from diversification into new clients and end markets, growth in marine and water infrastructure activity, and expansion into high-security government infrastructure opportunities.

> Supported by a healthy pipeline of opportunities, the sector enters FY27 with positive momentum and favourable outlook across its core markets

During the year, Duratec secured the CSIRO Electrical Infrastructure Works project, valued at $23.5m, and strengthening its position through inclusion on the Department of Home Affairs panel. These achievements broadened Duratec's exposure to federal government infrastructure opportunities and further diversified its client base. The sector also continued to expand its national marine capability, delivering and securing projects across Victoria, Queensland and Western Australia, reinforcing Duratec's growing national marine capability and market presence. This progress aligns with Duratec's strategy of leveraging its established remediation expertise and client relationships to pursue larger and more complex marine construction and infrastructure opportunities.

Other major project awards during FY26 included the Darwin Ship Lift Blast and Paint Facility, valued at approximately $68m and the Kwinana Bulk Jetty Cathodic Protection Works valued at approximately $35m. The Darwin Ship Lift award represents a significant milestone for the sector and positions Duratec within a nationally strategic maritime infrastructure development supporting future Defence, Marine, Energy and related industries in northern Australia.

The sector also delivered a range of technically complex projects across Australia. In Queensland, works progressed on infrastructure projects supporting Olympic-related investment, including the Clem Jones Promenade project involving structural strengthening, concrete remediation, carbon fibre deck strengthening and protective coating systems. In Victoria, Duratec continued to build its marine construction presence through works at Williamstown Workshop Pier, Dromana Pier, Appleton Dock and Holden Dock. In New South Wales, the business expanded its water infrastructure footprint through projects including Prospect Pump Station, North Head Biosolids, Wollongong Water Treatment Plant and West Ryde Pump Station. Collectively, these projects demonstrate the breadth of capability being deployed across marine, transport and water infrastructure assets nationwide.

Looking ahead, Duratec remains well positioned to pursue opportunities across Marine, Water Infrastructure and Transport Infrastructure markets, supported by a strong pipeline, expanding capability and growing client relationships. Continued government investment in water and wastewater infrastructure, increasing demand for marine infrastructure upgrades and a growing portfolio of high-security government projects provide a favourable backdrop for future activity. Duratec remains focused on expanding its national marine capability, strengthening relationships with key government and infrastructure clients, and leveraging expertise from across the Group to pursue larger and more complex project opportunities. Supported by a healthy pipeline of opportunities, the sector enters FY27 with positive momentum and favourable outlook across its core markets.

↑ 11.8% from $60.6m in FY25

Revenue

$67.8m

↑ from 17.3% in FY25

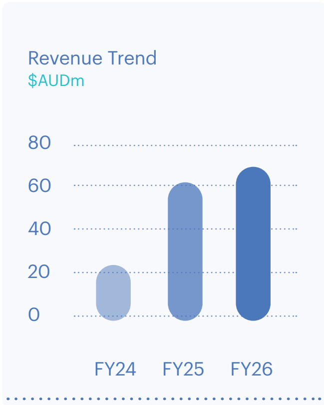
Gross Margin

18.2%

↓ from 4.1% in FY25

EBITDA Margin

3.2%



Tarraleah No.1 Canal, Tasmania

Emerging Sectors Case Study

Safeguarding Critical Renewable Energy Infrastructure

Duratec delivered a $1.93m remediation program for Hydro Tasmania's 20km Tarraleah No.1 Canal, a critical component of Tasmania's hydroelectric network. Completed during an eight-week shutdown, works included over 200 concrete repairs, 1.7km of crack repairs, joint remediation and structural upgrades across remote infrastructure. Despite increased scope, the project finished two weeks early, reducing operational impacts, extending asset life, and helping safeguard renewable energy generation, while achieving a 10/10 contractor performance rating.

Responsible Business Delivery

Safety & Wellbeing

Christ Church Cathedral, Newcastle, NSW

Our People

Community & Engagement

People

People & Culture

FY26 represented a year of strong momentum for People & Culture at Duratec, with a clear focus on strengthening frameworks, supporting business growth, and positioning the organisation for scaled growth.

During the year, Duratec's total workforce grew to 1,580, engaged in project delivery and corporate services across the Group. This growth reflects continued demand across key sectors and the Group's ability to attract and mobilise skilled resources to support delivery.

Maintaining a strong culture and supporting the wellbeing of our people remains a priority. A company-wide psychosocial survey confirmed Duratec is performing above industry benchmarks, with insights now informing targeted initiatives to further enhance engagement, wellbeing and the overall employee experience.

Technology continues to underpin the People & Culture strategy. In FY26, the implementation of a new workforce management system (OPMS) enhanced rostering, compliance and mobilisation capability, materially improving workforce planning and enabling more efficient resourcing of projects across the Group.

Learning & Development

During the year, Duratec continued to invest in capability development and leadership, with strong engagement across key programs. A total of 2,911 training events were completed across the business since 1 July 2025. The redesigned Leadership Fundamentals program has been well received, with demand exceeding current delivery capacity.

This success reflects a broader uplift in the Group's development offering, including:

- the introduction of a structured Career Pathways Framework for frontline trade and skilled workers, improving visibility and accessibility of career progression opportunities across the Group
- the implementation of an Engineering Credentialing Program, supporting a significant cohort of engineers to achieve accreditation status
- enhanced membership partnerships such as the National Association of Women in Construction (NAWIC) for mentoring & training programs
- a comprehensive redesign of Duratec's Graduate and Apprenticeship and Traineeship programs to enhance outcomes and scalability heading into FY27, supported by strengthened university and Registered Training Organisation (RTO) partnerships

These initiatives are building capability across the workforce and supporting a more structured and scalable approach to developing our people value proposition.

Workforce

To support continued growth, Duratec enhanced its Remuneration Framework to improve competitiveness, consistency and equity across multiple sectors, regions and operating entities, supporting both attraction and retention in a competitive labour market.

WPF Harriet Alpha Team, WA

Significant effort was also directed towards the integration of newly acquired businesses, ensuring alignment with Duratec's People & Culture standards while supporting our people through transition and maintaining continuity of operations.

Another key milestone was the successful approval of the 2025 Duratec Enterprise Agreement, which provides improved terms and conditions for Duratec's operational workforce and delivers a stable industrial framework for the next four years.

Outlook

Looking ahead to FY27, People & Culture will continue to build on these foundations with a strong focus on embedding Duratec's Vision, Mission & Values, growing and improving outcomes in learning roles, and enhancing business systems. The planned implementation of a new Human Resources Information System (HRIS), Dayforce, will further improve data capability and our people's experience across the lifecycle.

A further key priority will be the development of a competency framework for corporate roles, providing greater clarity and a transparent roadmap of the skills, behaviours, and knowledge required for different roles, to empower our people to identify growth opportunities, and how to realise them.

Advancing diversity and inclusion remains an ongoing focus, with initiatives aimed at increasing representation across under-represented groups, as well as evolving Duratec's employee value proposition. This includes enhancements to wellbeing, flexible leave options, community support initiatives, and broader employee benefits.

Together, these initiatives position Duratec to attract, develop and retain high-performing people, thereby supporting sustainable growth and long-term shareholder value.

Women in our workforce

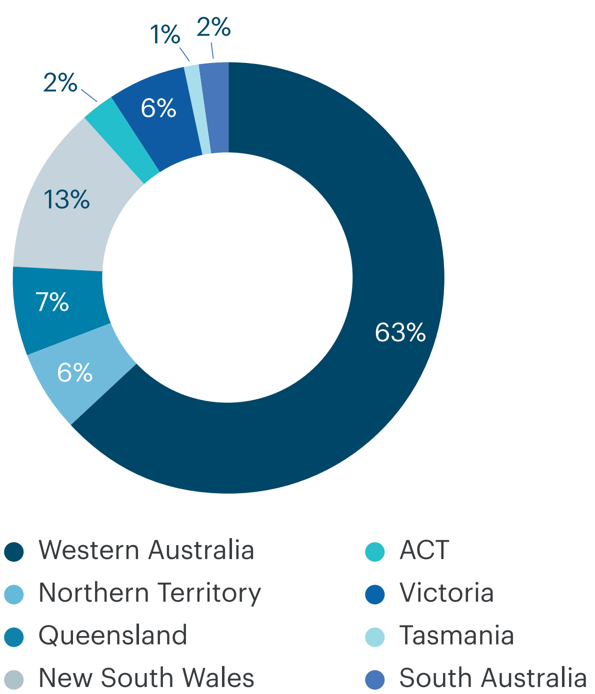
18.8%

Aboriginal and Torres Strait Islander people in our workforce

2.6%

Employee Location by State

1,580 Employees



Safety & Wellbeing

Building Momentum through Capability, Culture and Care

At Duratec, safety and wellbeing remain fundamental to how the Group operates. In FY26, the business continued to build momentum from the strong foundations established in FY25, strengthening systems, expanding capability, and reinforcing a culture where both physical and psychological safety are prioritised across all operations.

During the year, a key focus was on enhancing the Group's ability to manage risk and compliance at scale. The implementation of the HammerTech platform has established a centralised system for managing safety, site compliance, and operational risk, improving visibility and consistency across projects. Building on the critical risk management processes already embedded across the business, a formalised Critical Risk Standards framework was finalised and is now ready for implementation. At the same time, increased capacity within the Quality and Environmental teams has further strengthened support for project delivery, reinforcing compliance and operational performance as the business continues to grow. Through a combined focus on risk management and safety culture, the business completed the year without a Lost Time Injury.

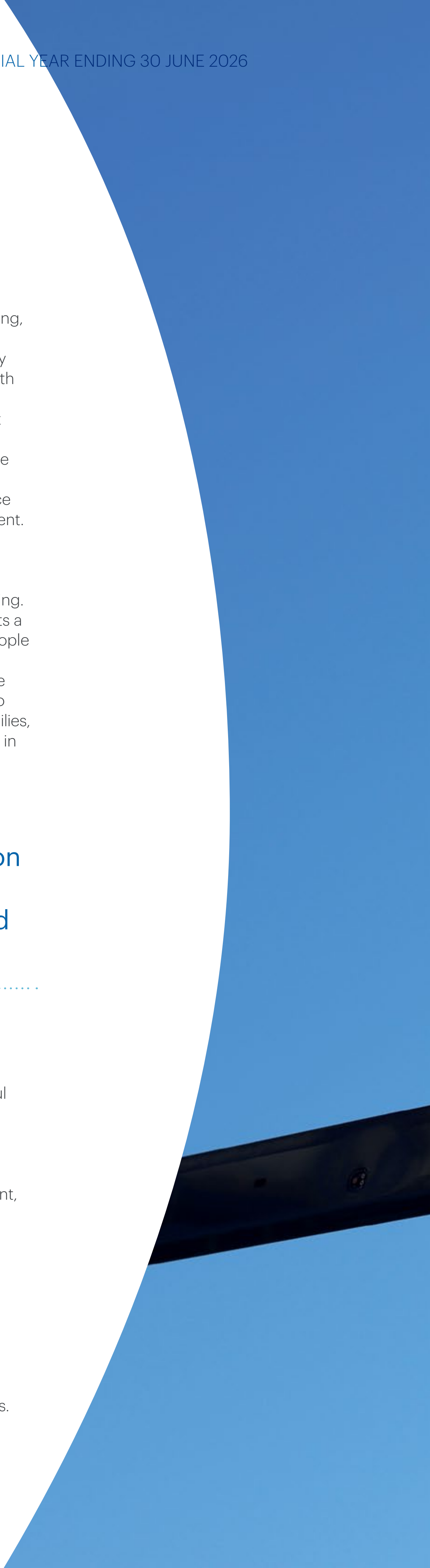
In October 2025, Duratec achieved a significant milestone, becoming the first construction company in Australia accredited to ISO 19443. This internationally recognised standard applies to organisations operating within the nuclear energy supply chain. Accreditation followed more than 12 months of focused effort across the business and represents a material step forward in aligning management systems with the highest levels of quality and safety assurance. This achievement positions Duratec to participate in high-compliance, high-value sectors and reinforces our commitment to industry-leading standards.

In parallel, Duratec continued to build momentum in understanding, addressing, and engagement of our people's psychological safety and wellbeing. In conjunction with People & Culture, a Workplace Psychosocial Safety Assessment conducted across the business achieved a 60% participation rate and provided valuable insights into psychosocial risks, workplace culture, and areas for improvement. These insights are informing targeted initiatives to enhance psychological safety, employee engagement, and overall wellbeing. This proactive approach supports a work environment where our people feel safe, supported, and able to contribute openly. The Employee Assistance Program continues to support our people and their families, reinforcing ongoing momentum in wellbeing across the business.

Duratec became the first construction company in Australia accredited to ISO 19443

The progress achieved in FY26 demonstrates how the strong foundations established in FY25 have enabled meaningful advancement across safety and wellbeing. By building on these foundations, Duratec has strengthened system capability, enhanced workforce engagement, and improved its approach to managing both physical and psychosocial risk.

Duratec remains focused on maintaining this momentum, prioritising the health, safety and wellbeing of its people while supporting the communities in which it operates and the long-term sustainability of the business.



Building on the critical risk management processes already embedded across the business, Duratec has formalised a Critical Risk Standards Framework to mitigate high-consequence risks

Trefoil cross installation, Christ Church Cathedral, Newcastle, NSW

Community & Engagement

NAIDOC Week canvas painting, Brisbane Team, QLD

Duratec's approach to sustainability is centred on understanding and minimising the impacts of our business activities, while protecting our people, client assets and the environments in which we operate.

Sustainability considerations are integrated into decision-making and project delivery across the business, supporting responsible outcomes and long-term value creation. This section provides a high-level overview of our approach and key initiatives, with further detail outlined in our standalone disclosure aligned to the Australian Sustainability Reporting Standards (ASRS), see page 63.

Community

Duratec creates positive social and economic outcomes through local employment, sustainable procurement and community engagement. By working closely with the communities in which we operate, we build long-term relationships that support shared value and benefit.

During the year, Duratec continued to support a range of community and charitable initiatives, including Dress for Success, Movember, and The Smith Family. Duratec is also an annual Platinum Sponsor of Telethon Community Cinemas, with proceeds from screenings supporting children's charities through Telethon. These contributions help fund critical equipment and services for children in hospital, support children living with disabilities and create life-changing opportunities for disadvantaged young people.

Duratec is a corporate member of the National Association of Women in Construction (NAWIC), providing free membership to all our people across the Group. This partnership reflects our commitment to fostering diversity, equality, and excellence within the construction industry. We recognise that achieving genuine gender equity requires not only attracting and retaining talented women, but also encouraging allyship and leadership across our workforce.

Recognising Aboriginal and Torres Strait Islander People

Duratec formally launched its inaugural Reflect Reconciliation Action Plan (RAP) in September 2025, marking an important milestone in the Group's reconciliation journey. Endorsed by Reconciliation Australia, the RAP builds on existing initiatives and provides a structured framework to guide our ongoing efforts in listening, learning and strengthening respectful relationships with Aboriginal and Torres Strait Islander peoples.

Guided by the 2026 National Reconciliation Week theme "All In", our teams participated in a series of events engaging with Traditional Owner groups and communities nationwide, reinforcing that reconciliation is a shared responsibility.

The delivery of Duratec's Reflect RAP is overseen by a dedicated RAP Working Group, supported and enabled by RAP Champions across the business. Together, they are driving the implementation of our commitments, ensuring accountability and embedding reconciliation into everyday practices. This network builds on existing leadership and engagement across Duratec, enabling a coordinated, business-wide approach to progressing our RAP and creating meaningful, lasting impact.

Community & Reconciliation

Case Study

National Reconciliation Week

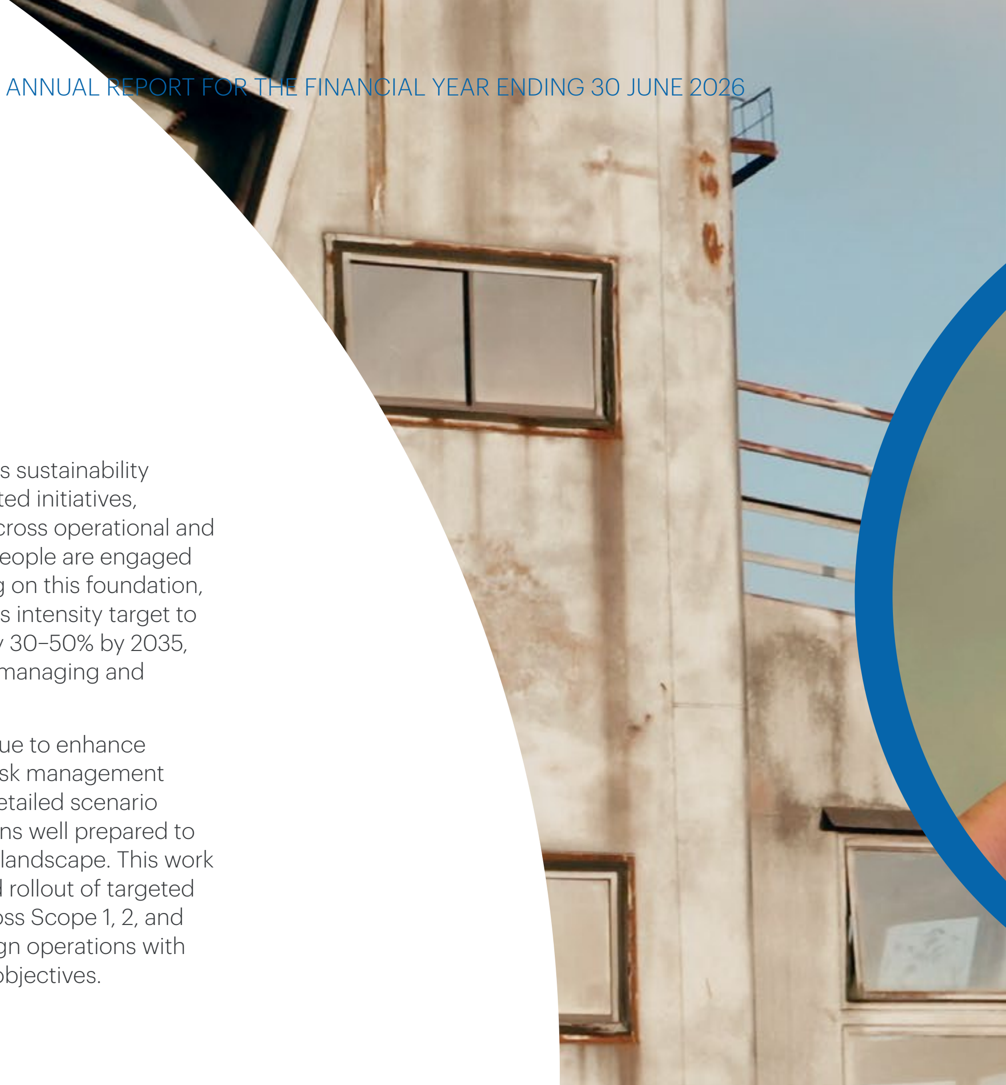
From a footy day with the Clontarf Foundation in Perth, to a cultural barbecue, a hands-on Indigenous cooking experience in Sydney, and a didgeridoo workshop in Darwin, alongside many other gatherings nationwide, National Reconciliation Week activities created meaningful opportunities for connection and learning. Together, these experiences reinforced the important role all our people have in reconciliation, strengthening a commitment to listening, learning and building respectful relationships, and turning intention into meaningful, ongoing action.

Case Study

Duratec's journey by Alex Kerr

To meaningfully represent Duratec's reconciliation journey, artwork was developed in partnership with Wurundjeri artist and Creative Director, Alex Kerr.

The artwork reflects our growing understanding of Country and celebrates the diversity across our business and the communities in which we operate. More than a visual statement, it is a cultural narrative that honours the past, acknowledges the present, and looks to a future grounded in partnership, respect and shared purpose.



Future Focused

Duratec continued to strengthen its sustainability practices through a range of targeted initiatives, including the delivery of training across operational and corporate teams, to ensure all its people are engaged in its sustainability journey. Building on this foundation, the Group established an emissions intensity target to reduce Scope 1 and 2 emissions by 30–50% by 2035, formalising Duratec's approach to managing and reducing its carbon footprint.

Looking ahead, Duratec will continue to enhance its sustainability governance and risk management practices, including undertaking detailed scenario analysis, ensuring the Group remains well prepared to navigate an evolving sustainability landscape. This work will be supported by the continued rollout of targeted emissions reduction initiatives across Scope 1, 2, and 3 emissions sources, helping to align operations with Duratec's long-term sustainability objectives.

Case Study

Electrifying our Plant and Vehicles

During the year, Duratec commenced the electrification of its fleet, driven by emissions reduction objectives and increasing fuel costs. This included the acquisition of eight fully electric BYD vehicles and the introduction of the Group's first electric forklift, alongside the retirement of several ageing diesel-powered vehicles. These initiatives support lower direct emissions, reduced noise impacts and improved operational efficiency.

Building on this, Duratec is actively exploring the broader adoption of electric vehicles and plant, considering factors such as site requirements, charging infrastructure and operational feasibility across diverse project locations.

This work represents an important step in evaluating low-emissions alternatives and building the knowledge required to support future transitions, contributing to Duratec's long-term sustainability objectives.

Case Study

Generator Telematics with Blue Diamond

To support the ongoing strategy to adopt hybrid and battery energy storage systems (BESS), Duratec partnered with Blue Diamond to deploy telematics across generators operating on projects in Northwest Western Australia. By installing telematics systems, Duratec can monitor generator performance in real time, including utilisation rates, load profiles and overall efficiency. The data provides valuable insights into generator right-sizing, highlighting opportunities to better align equipment capacity with actual site demand and reduce periods of underloading or inefficient operation.

These insights are supporting more efficient generator deployment and operation, contributing to reduced diesel consumption and associated emissions. The initiative demonstrates how data-driven approaches can enhance operational efficiency while advancing Duratec's broader sustainability objectives.

Risk Management

Effective risk management remains fundamental to Duratec's ability to execute its strategy and deliver sustainable growth. The Group's risk management framework, outlined in the Corporate Governance Statement, provides a structured approach to identifying, assessing and managing risk, with oversight provided by the Audit & Risk Committee. The risks outlined below represent a summary of the more significant risks facing the Group and are not listed in any order of significance. While not exhaustive, they demonstrate the breadth of risks managed by Duratec and the importance of maintaining strong governance, operational discipline and financial resilience. Please refer to the enclosed Sustainability Report for information regarding the Group's approach to identifying, assessing and managing climate-related risks and opportunities.

Commercial

Acquisition Integration and Governance

As Duratec continues to execute its acquisition strategy, there is a risk that acquired businesses fail to meet governance, safety, payroll, financial, legal and systems standards, potentially impacting operational performance and value realisation. Duratec mitigates this risk through rigorous due diligence, structured integration planning, financial and tax reviews, ICT and HSE integration processes, governance alignment and the use of centralised support services to embed acquisitions within the Group's systems and controls.

Supply Chain and Subcontractor Management

Reliance on suppliers and subcontractors exposes Duratec to risks relating to compliance, safety, performance and project delivery, with these risks increasing as the business scales. Duratec mitigates this risk through robust onboarding and prequalification processes, supplier due diligence, enhanced site management controls, diversification of supply chains and continuous improvement initiatives aimed at strengthening supply chain visibility, governance and performance.

Finance

Cashflow and Working Capital Management

Growth into larger projects may result in significant working capital requirements and periods of negative cash flow where supplier and subcontractor payments precede client receipts. Duratec mitigates this risk through rigorous tender-stage cash flow assessment, ongoing project cash flow forecasting, the use of bonds and security instruments, enhanced collaboration between Operations and Finance, and strong funding relationships with banking and bond providers.

Health, Safety & Environment

Major HSE Incident or Fatality

A serious injury, fatality or major safety incident could result in regulatory action, reputational damage, client dissatisfaction and financial loss. As project delivery activities involve inherent safety risks, Duratec maintains a strong focus on risk management through ISO 45001 and OFSC accreditation, targeted critical risk audits, robust safety systems and investigations, enhanced subcontractor management, critical risk standards, HammerTech implementation and strengthened officer due diligence.

Information & Communications Technology

Cyber Security, AI and Data Governance

Cyber attacks, ransomware, data breaches, misuse of AI and poor data governance could result in operational disruption, loss of confidential information, regulatory breaches and reputational damage. Recognising Data Governance and AI as a key technology risk, Duratec maintains a layered control environment encompassing endpoint security, continuous monitoring, access controls, staff training, disaster recovery planning, data protection measures, AI governance policies and mature data governance practices.

Operational Efficiency and Technology Transformation

Sustaining operational efficiency while scaling the business is critical to supporting long-term growth and competitiveness. Duratec mitigates the risk of process inefficiencies and technology limitations through ongoing investment in business improvement initiatives, process automation, AI-enabled solutions, new business systems, enhanced reporting capabilities and productivity improvement programs across the organisation.

Pre-Contracts

Project Margin Erosion and Cost Overruns

Poor project forecasting, scope growth, estimating errors, variation management failures and cost overruns may reduce profitability and weaken financial performance. Duratec mitigates this risk through rigorous forecasting and review processes, executive oversight of major projects, enhanced commercial support, stronger project controls, improved reporting capabilities and ongoing focus on effective variation management and project performance monitoring.

People & Culture

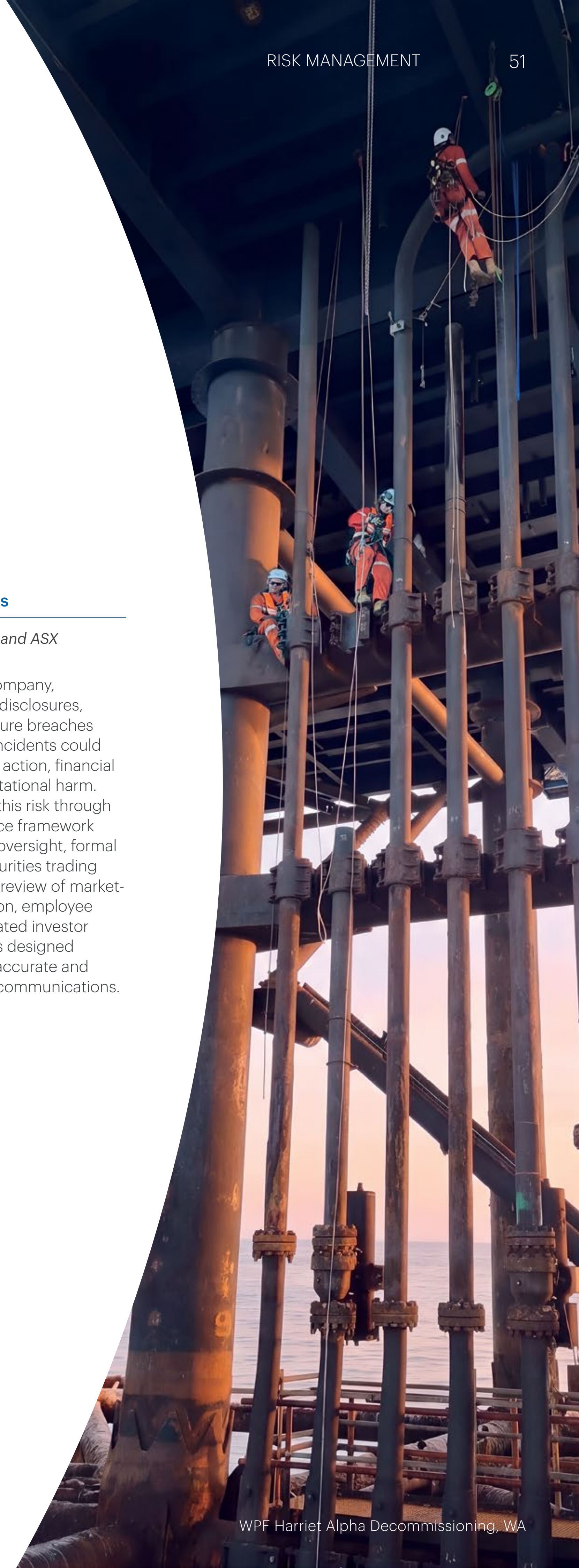
Workforce Attraction, Retention and Capability

An inability to attract and retain key personnel could limit the Group's capacity to execute its growth strategy, deliver projects effectively and maintain strong client relationships. Duratec mitigates this risk through targeted recruitment, workforce and succession planning, leadership and capability development, competitive remuneration and incentive arrangements, career progression opportunities and initiatives that strengthen employee engagement and employer brand.

Investor Relations

Investor Disclosure and ASX Compliance

As an ASX-listed company, inaccurate market disclosures, continuous disclosure breaches or insider trading incidents could result in regulatory action, financial penalties and reputational harm. Duratec mitigates this risk through a robust governance framework comprising Board oversight, formal disclosure and securities trading policies, executive review of market-sensitive information, employee training and dedicated investor relations processes designed to support timely, accurate and compliant market communications.



WPF Harriet Alpha Decommissioning, WA

Board of Directors

Martin Brydon

Non-Executive Chair

Robert (Phil) Harcourt

Non-Executive Director

Emma Scotney

Non-Executive Director

Chris Oates

Executive Director – Managing Director

Gavin Miller

Non-Executive Director

Dennis Wilkins

Company Secretary

Oxley Wharf, HMAS Stirling, WA

Directors' Report

The Directors of Duratec Limited present their report, together with the consolidated financial statements of Duratec Limited ABN 94 141 614 075 ("the Company" or "Duratec") and the entities it controlled (together referred to as "the Group" or the "consolidated entity") at the end of, or during, the year ended 30 June 2026.

Directors and Company Secretary

NAME / POSITION	PERIOD OF DIRECTORSHIP
Martin Brydon Non-Executive Chair	Appointed 1 September 2020
Christopher Oates Executive Director, Managing Director	Appointed 26 August 2010
Robert (Phil) Harcourt Non-Executive Director	Appointed 26 August 2010
Gavin Miller Non-Executive Director	Appointed 14 April 2010
Emma Scotney Non-Executive Director	Appointed 1 September 2025
Dennis Wilkins Company Secretary	Appointed 1 September 2020

Information on Directors and Company Secretary

The experience, other directorships or special responsibilities of the directors in office at the date of this report are as follows:

Martin Brydon

Non-Executive Chair
(First appointed as a director 1 September 2020)

Mr Brydon has more than 30 years' experience in the Australian construction materials and building product industries, commencing as an electrical engineer at Cockburn Cement Limited (CCL) in WA before moving into roles in operations management, sales & marketing and general management before ultimately becoming Chief Executive Officer. When CCL was merged into Adelaide Brighton Limited (ABL) in 1999, Mr Brydon became Executive General Manager–Strategy and Business Development and worked closely with the Managing Director in formulating and executing strategy. This included ABL entering the downstream businesses of concrete and concrete aggregates and masonry products through a series of acquisitions. Mr Brydon was appointed Chief Executive Officer of ABL in May 2014 and was appointed to the ABL Board as Managing Director in November 2015. He retired from ABL in January 2019. During his tenure, ABL grew to have a market capitalisation of over $4b and was included in the S&P ASX100 index.

Mr Brydon is an independent Director as, in the Board's view, he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Other Listed Company Directorships in last 3 years

Fletcher Building Limited

Special Responsibilities

Chair of the Remuneration & Nomination Committee

Interests in shares of Duratec Limited

96,698

Christopher Oates BEc

Executive Director – Managing Director
(First appointed as a director 26 August 2010)

Mr Oates holds a Bachelor of Science in Construction Management and Economics and has over 30 years' experience in the construction and remediation industries. Mr Oates is a registered builder across the business in several states and territories. Prior to assuming his role as Managing Director, Mr Oates was a General Manager and Executive Director of Duratec responsible for the general management of the Company in Western Australia and the Northern Territory where he was involved in securing and delivering a wide range of projects across numerous sectors, including mining & resources, oil & gas, water & wastewater, transport infrastructure, marine as well as direct engagement with projects on Department of Defence bases across Australia. In his role as Managing Director, Mr Oates is responsible for the overall management of the Company, Health, Safety, Environment and Quality, strategic planning, new business opportunities and risks and business development.

Other Listed Company Directorships in last 3 years

None

Special Responsibilities

Member of the Safety & Sustainability Committee

Interests in shares of Duratec Limited

23,953,389

Interests in performance rights of Duratec Limited

1,342,438

Robert (Phil) Harcourt BEng (Civil), CPEng.

Non-Executive Director
(First appointed as a director 26 August 2010)

Mr Harcourt has over 45 years of experience in the civil and structural engineering industry. During this time Mr Harcourt has held numerous roles including; Senior Project Engineer and CEO of Savcor Finn Pty Ltd, and Chief Operations Officer of the publicly listed company Savcor Group. Mr Harcourt along with two colleagues established Duratec in 2010 and led the Company as Managing Director through a period of rapid growth to become a highly recognised and reputable specialist civil remediation contracting company. He resigned as Managing Director on 24 November 2023 and was appointed as a Non-Executive Director on that date.

Other Listed Company Directorships in last 3 years

None

Special Responsibilities

Member of the Audit & Risk Committee

Chair of the Safety & Sustainability Committee

Interests in shares of Duratec Limited

20,153,389

Gavin Miller

Non-Executive Director
(First appointed as a director 14 April 2010)

Mr Miller is a Certified Practising Accountant, Chartered Secretary and graduate of the Australian Institute of Company Directors. He has over 30 years of financial and commercial management experience in various industries, including manufacturing, utilities and civil construction.

Other Listed Company Directorships in last 3 years

None

Special Responsibilities

Chair of the Audit & Risk Committee

Member of the Remuneration & Nomination Committee

Member of the Safety & Sustainability Committee

Interests in shares of Duratec Limited

20,000

Emma Scotney

Non-Executive Director

(First appointed as a director 1 September 2025)

Ms Scotney is a former corporate lawyer and business executive with over 25 years' experience across the mining, agricultural and property sectors. Ms Scotney holds a Bachelor of Laws (Honours), a Bachelor of Arts, an Advanced Diploma in Management (Strategy and Finance), and is a Graduate of the Australian Institute of Company Directors (GAICD).

Other Listed Company Directorships

Ms Scotney is currently a director of Santana Minerals Limited and Minerals 260.

Former Listed Company Directorships in last 3 years

Ms Scotney was also a director for De Grey Mining Limited until 2025.

Special Responsibilities

Member of the Audit & Risk Committee

Member of the Remuneration & Nomination Committee

Interests in shares of Duratec Limited

50,000

Dennis Wilkins

Company Secretary

Mr Wilkins is the founder and Principal of DWCorporate Pty Ltd (DWCorporate), a corporate advisory firm located in Perth, Australia, that has been providing commercial, strategic, and corporate governance services to domestic and international exchange-listed entities for over 25 years. Dennis is supported by a team at DWCorporate, drawing on comprehensive knowledge of all aspects of company secretarial and governance matters.

Directors' Meetings

The number of Directors' meetings and the numbers of meetings attended by each Director of the Group during the financial year were:

	Board Meetings		Audit & Risk		Remuneration & Nomination		Safety & Sustainability	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Martin Brydon	11	11	1	1	2	2	0	0
Christopher Oates	11	11	1	1	1	1	3	3
Robert (Phil) Harcourt	11	10	3	3	1	1	3	3
Gavin Miller	11	11	3	3	2	2	3	3
Emma Scotney	9	9	2	2	1	1	0	0

Note: The Board resolved to reconstitute the Audit & Risk Committee and Remuneration & Nomination Committee on 20 November 2025.

The principal activities of the consolidated entity during the period were the provision of assessment, protection, remediation and refurbishment services to a broad range of assets, in particular steel and concrete infrastructure. No significant change in the nature of these activities occurred during the period.

Review of Operations

For the year ended 30 June 2026, the consolidated entity generated revenues of $570,281,000, a decrease of 0.5% on the previous year. Profit after income tax for the year was $23,761,000, an increase of 4.1% on the previous year.

	Jun 2026 $'000	Jun 2025 $'000
Revenue from contracts with customers	570,281	573,028
Profit after income tax	23,761	22,827

Material Business Risks

Material business risks that may affect the achievement of the Company's strategies and prospects are outlined in the Risk Management section on page 50 of this annual report.

Significant Changes in State of Affairs

There were no other significant changes in the consolidated entity's state of affairs during the financial year other than that referred to in the financial statements or notes thereto.

Matters Subsequent to the End of the Financial Year

On 4 August 2026, the Company announced the appointment of Jamie Cullen as a director of the Company, effective 1 October 2026, and the resignation of Gavin Miller as a director of the Company, effective immediately following the 2026 Annual General Meeting.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Dividends

Dividends paid or declared since the start of the financial year were $10,947,000 (2025: $10,620,000).

Since the end of the financial year, the Directors have recommended the payment of a final ordinary dividend for 2026 of 2.5 cents per fully paid share, franked to 100%, to be paid on 14 October 2026.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated entity.

Environmental Regulation

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in "Note 26" to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in "Note 26" to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

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

Indemnity and Insurance of Officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and Insurance of Auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, RSM, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM during the financial year, or since the financial year end.

Corporate Governance Statement

The Board of Duratec Limited is responsible for corporate governance. The Board has prepared the Corporate Governance Statement in accordance with the fourth edition of the Corporate Governance Council's Principles and Recommendations, which is available on the Company's website at www.duratec.com.au under the 'Investors' section.

Rounding of Amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's Independence Declaration

As required under section 307C of the Corporations Act 2001, please see "Auditor's Independence Declaration" on page 90.

Auditor

RSM continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

Remuneration Report (audited)

The Directors present the Duratec Limited 2026 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

Voting and Comments made at Duratec Limited's 2025 Annual General Meeting ('AGM')

At the 2025 AGM, 98.97% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

The report is structured as follows:

(a) Key Management Personnel (KMP) covered in this report
(b) Remuneration policy and link to performance
(c) Elements of remuneration
(d) Link between remuneration and performance
(e) Remuneration expenses
(f) Contractual arrangements with executive KMPs
(g) Non-executive director arrangements
(h) Additional statutory information

A. Key Management Personnel Covered in this Report

Non-executive and executive directors (see "Information on Directors and Company Secretary" on page 54 for details).

Martin Brydon Non-Executive Chair

Gavin Miller Non-Executive Director

Emma Scotney Non-Executive Director

Robert (Phil) Harcourt Non-Executive Director

Christopher Oates Executive Director

Ashley Muirhead Chief Financial Officer

B. Remuneration Policy and Link to Performance

Any review of remuneration is determined by the Remuneration & Nomination Committee and approved by the Board. The Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent
- aligned to the Company's strategic and business objectives and the creation of shareholder value
- transparent and easily understood
- acceptable to shareholders

Assessing Performance

The Remuneration & Nomination Committee is responsible for assessing performance against Key Performance Indicators (KPIs) and determining the Short-Term Incentives (STI) and Long-Term Incentives (LTI) to be paid. To assist in this assessment, the committee receives detailed reports on performance from management which are based on independently verifiable data.

ELEMENT	PURPOSE	PERFORMANCE METRICS	POTENTIAL VALUE
Fixed Remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at the market rate
STI	Reward for in-year performance and retention	Adjusted Net Profit Before Tax excluding DDR, shareholder returns, non financial metrics and KPI's including safety performance.	Directors: up to 100% of fixed remuneration Execs: up to 50% of fixed remuneration.
LTI	Alignment of employees including directors to long-term shareholder value creation	Employee Equity Plan (EEP) rules contain two components and vesting conditions; achievement of Total Shareholder Return (TSR) and Earnings Per Share (EPS).	At the discretion of the Board

C. Elements of Remuneration

(i) Fixed Remuneration (FR)

Key management personnel may receive their fixed remuneration as cash, or cash with non-monetary benefits such as motor vehicle allowances. FR is reviewed annually and is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation.

The Board aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

(ii) Short-Term Incentives (STI)

Certain employees are entitled to participate in a short-term incentive scheme as part of their total remuneration. The STI requires the achievement of certain Key Performance Indicators (KPIs). KPIs are set by the Board and Executives for eligible employees, depending on the role. The STI is payable in cash and is calculated with reference to financial and non-financial KPIs and is capped.

(iii) Long-Term Incentives (LTI)

LTI targets are set by the Board. Achievement of the LTI targets involves the offer of Awards that may comprise Rights, Options or Restricted Shares with vesting conditions subject to the Company's Total Shareholder Return (TSR) and Earnings Per Share (EPS). The vesting conditions provide employees and directors with close alignment with shareholder interests. The Board has the discretion to cancel or vary LTIs, including the claw back of remuneration paid in previous financial years.

D. Link between Remuneration and Performance

Statutory Performance Indicators

The Company aligns Executive remuneration to its strategic and business objectives and the creation of shareholder wealth. The table below shows the Group's statutory financial performance over the last five years. The Board and Remuneration & Nomination Committee take into account financial and non financial issues when making remuneration decisions. As a consequence, there is not a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2026 $'000	2025 $'000	2024 $'000	2023 $'000	2022 $'000
Sales revenue	570,281	573,028	555,792	491,796	310,003
Profit before income tax	28,989	29,472	29,122	27,582	10,202
Profit after income tax	23,761	22,827	21,430	19,201	7,761
EBITDA	51,173	48,798	46,159	38,109	17,769

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2026	2025	2024	2023	2022
Share price at financial year end ($)	2.56	1.4	1.2	1.1	0.4
Total dividends declared (cents per share)	4.3	4.3	4.0	4.0	2.0
Diluted earnings per share (cents per share)	8.9	8.7	8.3	7.6	3.1

E. Remuneration Expenses

The following table shows details of the remuneration expense recognised for the Group's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

		Short-term			Post-employment benefits	Long-term benefits	Share-based payments	
	YEAR	Cash salary and fees	Cash bonus	Annual leave	Superannuation	Long service leave	Rights to deferred shares	Total
NON-EXECUTIVE DIRECTORS								
Martin Brydon	2026	165,179	–	–	19,821	–	–	185,000
	2025	156,951	–	–	18,049	–	–	175,000
Gavin Miller	2026	116,071	–	–	13,929	–	–	130,000
	2025	89,686	–	–	10,314	–	–	100,000
Emma Scotney	2026	82,871	–	–	9,945	–	–	92,816
	2025	-	–	–	–	–	–	–
Robert (Phil) Harcourt	2026	108,929	–	–	13,071	–	–	122,000
	2025	89,686	–	–	10,314	–	–	100,000
Krista Bates[1]	2026	–	–	–	–	–	–	–
	2025	41,667	–	–	–	–	–	41,667
EXECUTIVE DIRECTOR								
Christopher Oates	2026	692,313	335,826	63,791	31,553	13,814	181,577	1,318,874
	2025	670,068	200,556	73,168	29,952	45,879	30,948	1,050,571
KEY MANAGEMENT PERSONNEL (KMP)								
Ashley Muirhead	2026	342,060	82,714	31,758	30,752	10,296	88,172	585,752
	2025	309,231	66,276	50,056	29,941	12,788	63,404	531,696
Total executive directors & other KMPs	**2026**	**1,034,373**	**418,540**	**95,549**	**62,305**	**24,110**	**269,749**	**1,904,626**
	2025	**979,299**	**266,832**	**123,224**	**59,893**	**58,667**	**94,352**	**1,582,267**
Total Non-Executive Directors	**2026**	**473,050**	**–**	**–**	**56,766**	**–**	**–**	**529,816**
	2025	**377,990**	**–**	**–**	**38,677**	**–**	**–**	**416,667**
Total KMP remuneration expensed	**2026**	**1,507,423**	**418,540**	**95,549**	**119,071**	**24,110**	**269,749**	**2,434,442**
	2025	**1,357,289**	**266,832**	**123,224**	**98,570**	**58,667**	**94,352**	**1,998,934**

1. This represents Krista Bates' remuneration until her passing on 11 November 2024.

F. Contractual Arrangements with Executive KMPs

NAME	POSITION	CONTRACT DURATION	NOTICE PERIOD	FIXED REMUNERATION
Mr Christopher Oates	Executive Director – Managing Director	Permanent	6 months by either party	For the year ended 30 June 2027: $752,160 per annum, inclusive of superannuation and motor vehicle allowance
Ms Ashley Muirhead	Chief Financial Officer	Permanent	8 weeks by either party	For the year ended 30 June 2027: $391,556 per annum, inclusive of superannuation and motor vehicle allowance

G. Non-executive Director Arrangements

Non-executive directors receive a Board fee as outlined below. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation. The Board Chair receives a higher base fee compared to the other non-executive director, reflective of the additional demands and responsibilities of this role, inclusive of committee fees.

Fees are reviewed annually by the Board taking into account comparable roles and market data provided by the Board's independent remuneration adviser.

Base fees	$100,000
Chair of the Board	$185,000
Chair of a board committee	$14,000
Member of a board committee	$8,000
Fees included discharging responsibilities to:	
Audit & Risk Committee	
Remuneration & Nomination Committee	
Safety & Sustainability Committee	

All non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

H. Additional Statutory Information

(i) Relative Proportions of Fixed vs Variable Remuneration Expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page 60 above:

	Fixed Remuneration		At Risk – STI		At Risk – LTI	
	2026 %	2025 %	2026 %	2025 %	2026 %	2025 %
NON-EXECUTIVE DIRECTORS						
Martin Brydon	100%	100%	–	–	–	–
Gavin Miller	100%	100%	–	–	–	–
Robert (Phil) Harcourt	100%	100%	–	–	–	–
Emma Scotney	100%	–	–	–	–	–
Krista Bates	–	100%	–	–	–	–
EXECUTIVE DIRECTOR						
Christopher Oates	61%	78%	25%	19%	14%	3%
OTHER KMP						
Ashley Muirhead	71%	76%	14%	12%	15%	12%

Reconciliation of Options and Ordinary Shares Held by KMP Shareholdings

The movement during the financial year in the number of ordinary shares in the Company held directly, indirectly or beneficially by each KMP, including their related parties, is as follows:

2026	Balance at start of the year	Additions	Disposals	Balance at end of the year
Martin Brydon[1]	95,254	1,444	–	96,698
Gavin Miller	20,000	–	–	20,000
Robert (Phil) Harcourt	23,953,389	–	3,800,000	20,153,389
Emma Scotney	–	50,000	–	50,000
Christopher Oates	23,953,389	–	–	23,953,389
Ashley Muirhead	–	–	–	–
Total	**48,022,032**	**51,444**	**3,800,000**	**44,273,476**

1. Includes the shareholdings of personally related parties.

Rights

This table shows Rights granted, vested and forfeited during the year:

2026	Balance at start of the year	Granted during year	Vested	Forfeited	Balance at end of the year
Martin Brydon	–	–	–	–	–
Gavin Miller	–	–	–	–	–
Robert (Phil) Harcourt	–	–	–	–	–
Christopher Oates	850,000	492,438	–	–	1,342,438
Ashley Muirhead	324,018	121,287	70,000	–	375,305
Total	**1,174,018**	**613,725**	**70,000**	**–**	**1,717,743**

Share-based Payments: Performance Rights

During the year 613,725 unlisted performance rights, subject to vesting conditions and performance criteria were issued to Key Management Personnel.

Grant date	19 Jan 2026	28 Jan 2026
Expiry Date	30 Sep 2030	30 Sep 2030
Number of Performance Rights	492,438	121,287
Share Price at Valuation Date	$2.20	$2.21
Expected Volatility	45.30%	45.20%
Dividend yield	1.93%	1.93%
Risk Free Interest Rate	4.05%	4.18%
Fair Value at Valuation Date:		
Subject to Total Shareholder Return (TSR) performance condition	$1.05	$1.12
Subject to Earnings Per Share (EPS) performance condition	$2.20	$2.21

No options have been granted over unissued fully paid ordinary shares in the Company.

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors,

Chris Oates
Managing Director

Date: 25 August 2026

Perth

Sustainability Report

About the Sustainability Report

This Sustainability Report comprises:

- Climate-related disclosures for Duratec and its controlled entities (Group) for the year ended 30 June 2026
- A Directors' Declaration

These climate-related disclosures have been prepared in accordance with AASB S2 Climate-related Disclosures, which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB). While broader Sustainability considerations are addressed within the Group's operations, this report focuses specifically on matters in accordance with AASB S2.

This report has been prepared for the same consolidated reporting entity and reporting period as the Consolidated Financial Statements (please refer to Note 1: Material accounting policy information on page 96).

Transitional Relief/Statement of Compliance

The Group has adopted the transitional relief provided under AASB S2 paragraph C4(b), which permits it to not disclose Scope 3 greenhouse gas emissions in its first annual reporting period applying AASB S2. The Group has also adopted the transitional relief provided under AASB S2 paragraph C3 which provides an exemption from disclosing information for any period before the date of initial application, including comparative information.

Forward-looking Statements

The Sustainability Report contains forward-looking statements, management judgements and estimates that are based on the Group's current views, expectations and assumptions as at the date of this report. Climate-related disclosures involve known and unknown risks, uncertainties and other factors, many of which are beyond the Group's control, and which may cause actual results to differ materially from those expressed or implied in this Sustainability Report.

This report contains forward-looking climate-related information, including assumptions, estimates, scenario analysis, the Group's emissions reduction strategy, and the potential impacts of climate-related risks and opportunities on the Group's prospects, business model, value chain and climate-related metrics. These disclosures have been prepared in accordance with AASB S2 and are intended to provide decision-useful information about the Group's climate-related risks and opportunities (CRROs).

Such information is subject to inherent uncertainty due to assumptions regarding future climate conditions, policy and regulatory settings, technological developments, market responses and other external factors. Forward-looking statements are not guarantees of future performance, and actual outcomes may differ materially from those disclosed. The Group has exercised reasonable care in preparing these disclosures based on the best information available at the reporting date.

Forward-looking statements may be affected by a range of uncertainties and factors, including but not limited to:

- The time horizons over which climate-related impacts may emerge
- The lack of universally accepted definitions, standards and methodologies for climate-related metrics and disclosures
- Limitations in the current scientific understanding of climate change and its impacts
- Uncertainty regarding future political, technological, economic and market developments that may influence climate-related impacts and transition pathways
- Uncertainty regarding climate-related laws, regulations, policies and associated regulatory actions
- The evolving nature of climate data, modelling techniques, methodologies, market practices and reporting standards

Please also refer to the Important Notices on pages 96-133.

Governance

Duratec's Climate-related Governance Framework

As shown below, the Group's governance arrangements for CRROs include defined roles, responsibilities and escalation pathways.

Climate-related governance structure:

Duratec Limited Board (including Managing Director)
Oversees management of Duratec for shareholders, approves plans, targets and acquisitions, and provides oversight of the Group's strategy, performance and risk management framework, within which CRROs are considered.

Safety & Sustainability Committee
Oversees climate-related matters, including climate-related disclosures and reporting, and monitors performance.

Sustainability Sub-Committee
To enable in-depth discussion of climate-related matters, a Sustainability Sub-Committee meeting is held prior to the broader Safety & Sustainability Committee

Audit & Risk Committee
Oversees the Group's risk management framework and internal control systems, including monitoring the Group's risk profile and risk register.

Executive Management Team
Accountable, with the Managing Director, for executing strategic objectives and managing operations, including the identification, assessment and management of risks across the Group.

Executive Sustainability Committee
Coordinates climate-related activities, including climate-related initiatives and AASB S2 implementation. Supported by the Management Sustainability Team and Subject Matter Expert group ("The Green Team").

Operational and Functional Teams
(Pre-Contracts, HSEQ, Commercial and Operations) Responsible for the day-to-day management of climate-related risks and opportunities within their areas of accountability.

Board Oversight

The role of the Board is to demonstrate leadership, provide strategic oversight and guidance, and oversee the effective management of Duratec's Purpose.

The Board also sets the overall risk appetite that provides guidance about tolerances for material risks.

The Board Charter sets out the Board's primary functions and practices adopted to discharge its responsibilities, including oversight of the Group's strategy, performance and overall governance.

The Board is supported by three standing committees including the Safety & Sustainability Committee (SSC) and the Audit & Risk Committee (ARC). The SSC oversees climate-related matters as part of its broader Sustainability mandate, while the ARC oversees the Group's risk management framework as a whole, as set out in their respective Charters. Climate-related matters are further supported through the Group's Sustainability Policy and associated climate-related governance processes.

During the year, the Board met 11 times. The Board, the SSC, and the ARC were focused on implementing AASB S2 and incorporating CRROs and reporting requirements into operations, financial reporting, Board oversight, and governance processes.

Matters considered by the SSC include: AASB S2 requirements and implementation, the Group's strategic climate ambition, greenhouse gas emissions, and the Sustainability Report. The SSC met three times during the year where climate matters were considered. CRROs are formally considered as standing agenda items at the SSC on a twice yearly basis, with outcomes and key matters reported to the Board. At one meeting, an external presentation on ASRS reporting requirements was presented, at which all Directors were in attendance.

During FY26, the Board approved the Group's 2035 climate-related target following consideration of management recommendations and oversight by the SSC. Progress against the target will be monitored through the SSC, with key matters and performance updates reported to the Board as part of its oversight of climate-related risks and opportunities. Further information regarding the target and associated metrics is provided in the Metrics and Targets section of this Sustainability Report.

Prior to quarterly SSC meetings, preparatory sessions are conducted by the Sustainability Sub-Committee so that matters can be discussed in-depth. These sessions are supported by a sequence of regular updates that are prepared and distributed in advance.

Climate-related risks and associated mitigations identified by the SSC are included in the Corporate Risk Register where relevant. The ARC met three times during the year and oversees the Group's risk profile and risk register and reviews the adequacy of management's risk response plans in operating within the Group's risk appetite.

All Board members have a standing invitation to attend Committee meetings.

The Chair of each Committee reports to the Board on matters dealt with at preceding Committee meetings. The Board also receives copies of all Committee papers and Committee meeting minutes. This enables all Directors to have oversight and the opportunity to discuss matters being considered by the Committees.

Board Skills & Education

The Board's collective skills include strategy, risk management, operations, legal and financial expertise. During FY26, climate-related capability was further developed through targeted director training and education on AASB S2 and climate-related matters.

All Directors participated in an externally facilitated session on mandatory Sustainability reporting and implications for Directors. This session also introduced relevant topics from climate science and implications for the Group.

Professional development requirements are addressed periodically by the Board on at least an annual basis, with an assessment of whether new or the renewal of skills may be required. All Directors have been provided with online training with regards to the specific requirements for AASB S2 compliance.

The Board, supported by the Remuneration & Nomination Committee, has an ongoing succession planning and renewal program. The Board reviews its membership having regard to the ongoing and evolving needs of the Group and considers factors such as independence, skills, experience, and diversity of views.

Management's Role

Executive Leadership

The Executive Management Team (EMT) works with the Sustainability team and relevant direct reports throughout the year to coordinate implementation of key CRRO-related activities.

Executive Sustainability Committee

The Executive Sustainability Committee was established to coordinate climate-related and broader Sustainability activities across the Group, including implementation of AASB S2. The Executive Sustainability Committee comprises several members of the EMT.

The Executive Sustainability Committee met 11 times during the year and provided updates on the preparation for AASB S2 disclosures. The meetings allow for discussion of emerging issues and alignment on priority deliverables.

Embedding Climate and Sustainability Expertise within the Business

Operational and functional teams including Pre-Contracts, HSEQ, Commercial, and Operations are supported by the Sustainability function for the ongoing identification, assessment, and management of CRROs within their areas of accountability.

Climate-related capabilities are supported through environmental and safety expertise, guidance materials and training activities delivered by the Sustainability function, including consideration of climate-related topics in corporate induction and management forums.

Impact of Climate on Remuneration Policies

Each year, the Board sets Group KPIs in line with delivering the Group's strategic priorities. The Board sets a range of financial and non-financial performance measures for key management personnel for achievement in the coming financial year.

Climate-related KPIs

The Board determined that establishing long-term Group-level climate-related targets was the immediate priority. As at FY26, climate-related KPIs had not been cascaded into broader management performance measures.

The Managing Director and EMT oversee execution of the Group's Sustainability Roadmap (including climate-related requirements), as part of their participation in the SSC and the Executive Sustainability Committee. The Sustainability function completes a quarterly maturity assessment which is used to track completion of key deliverables from the previous quarter and identification of priorities for next quarter.

In FY26, 0% of Executive remuneration was linked to climate-related KPIs.

For more information about the Group's Remuneration strategy and framework, see page 58.

Strategy

The governance arrangements described support oversight of CRROs and the Group's response to climate-related matters.

Climate change is influencing the operating environment in which the Group delivers projects and supports critical infrastructure. Increasing extreme weather events, changing climate conditions, and evolving regulatory and stakeholder expectations are affecting how assets are designed, constructed, maintained and remediated. As a business focused on construction, remediation, and engineering, the Group recognises climate change as both a source of risk and strategic opportunity.

CRROs are considered across the value chain (Table 1), including procurement, project delivery and downstream asset outcomes. Further information regarding the identification, assessment and management of CRROs is provided in the Risk Management section.

The Group has established Scope 1 and Scope 2 emissions intensity targets (refer Metrics and Targets section) as part of its response to transition-related risks, including increasing regulatory and market expectations.

The Group does not currently maintain a formal standalone climate transition plan but is progressively integrating climate considerations and emissions reduction strategies into broader business planning processes.

At the pre-contract stage, the Group tenders for projects that meet the Australian Government's Environmentally Sustainable Procurement Policy. Climate risk assessments have also been undertaken for selected client assets during the tender phase.

At a strategic level, climate change is influencing the evolution of the Group's service offering. Growing demand for resilience upgrades, remediation, facade replacement, coastal protection, and durability engineering is shaping investment in specialist skills, diagnostics and delivery methodologies. Expectations to reduce emissions are also influencing choices around materials, energy use and partnerships, supporting lower-emissions construction and maintenance practices without compromising safety or performance.

Table 1: Value chain overview

Upstream Value Chain	• Suppliers • Subcontractors and specialists • Technology and data providers • Logistics and transport partners
Our Business Activities	• Corporate and Governance functions • Asset remediation and life-extension service • Construction • Specialist engineering • Civil, Building and Facade Works
Downstream Value Chain	• Clients and Asset owners • End-users of Infrastructure • Employees and workforce • Regulators and authorities • Industry Bodies and Associations • Local Communities

Climate-related Risks & Opportunities

The Group identified a subset of CRROs through the assessment process described in the Risk Management section. This assessment was undertaken at a whole-of-group level, considering the Group's operating model, project portfolio, value chain exposures and geographic footprint.

The CRROs selected for disclosure are those that could reasonably be expected to affect the Group's prospects (refer Risk Management section).

This includes consideration of how climate-related risks may affect the performance and viability of assets and projects across the Group's portfolio, as well as opportunities associated with increasing demand for resilience, remediation and lower-emissions outcomes.

The Group's assessment of current climate-related financial impacts is primarily qualitative. At this stage, impacts have not been separately quantified, as methodologies and data required for reliable financial attribution are still developing. The key CRROs identified through this assessment, and their categorisation, are summarised in Table 2.

Table 2: Climate-related risks & opportunities by category

PHYSICAL RISKS	TRANSITION RISKS	OPPORTUNITIES
• Extreme heat and humidity • Extreme rainfall, destructive storms, and flooding • Bushfire • Variability in temperature extremes • Sea level rise and storm surge • Compound and systemic climate-related risks	• Market and stakeholder expectations • Regulatory and policy change • Workforce attraction and retention • Reputational risk • Disclosure and reporting risks	• Infrastructure adaptation and life-extension • Climate-resilient design and construction • Asset vulnerability diagnostics • Increased remediation and restoration demand • Insurance and asset management collaboration

Time Horizons

The Group assessed whether the potential impacts of each climate-related risk and opportunity are expected to manifest over the short, medium, or long term. These time horizons have been selected to align with the Group's strategic planning framework, project delivery cycles and the typical lifecycle and operational profile of the assets and infrastructure supported by the Group, as summarised in Table 3.

Table 3: Climate risk time horizons and rationale

TIME HORIZON	FINANCIAL YEARS	RATIONALE
Short	2026-2030	• Alignment with business strategic planning • Analysis of near-term trends to support emissions pathways • Enables adaptation planning for risks requiring immediate attention
Medium	2030-2040	• Insight into potential conditions to inform planning for asset life extension and operational resilience upgrades • Informs long-term strategic vision for business
Long	2040-2060	• Provides view of highly impacted environments and greater divergence between scenarios • Provides insights into upper and lower limits of expected impacts

Climate-related Risks

Physical Risks

Climate-related physical risks identified through the Climate Risk and Opportunity Assessment reflect the increasing exposure of the Group's people, projects, and client assets to more frequent, severe, and variable weather conditions. These risks are summarised in Tables 4–9.

Table 4: Physical Risk – Extreme Heat and Humidity

Risk	Increasing frequency and severity of extreme heat and humidity events impacting workforce health and safety, productivity, construction processes, and material performance across project sites.
Time Horizon	Extreme heat and humidity are expected across all time horizons, with impacts varying over time and by climate scenarios. In the short term, more frequent heat events are generally manageable. In the medium term, impacts increase, reducing safe work windows. In the long term, severity diverges by scenario, with significantly greater impacts under higher emissions pathways.
Potential Impacts (Current and Anticipated)	Current: • High-temperature days have been experienced across project locations, with the potential to impact workforce productivity and project delivery; however, no material disruption to operations has been identified Anticipated: • Increased risk of heat stress, dehydration, and fatigue for site personnel • Reduced productivity and longer project durations due to work restrictions and rescheduling • Increased operating costs associated with PPE, monitoring, and cooling measures • Constraints on workforce availability, particularly in regional and northern Australia • Potential supply chain and logistics impacts including constraints on material handling transport conditions, and subcontractor availability during extreme heat events
Mitigation Measures	The Group's existing HSEQ system supports administrative procedures such as adjusted work schedules and Fatigue Management protocols supported by site-specific risk assessments. The Group continues to monitor temperature-related risks and will assess the need for additional mitigation measures as part of its ongoing risk management processes.
Current financial impacts	During the reporting period, offices and project sites experienced multiple high-temperature days exceeding 35°C, particularly in Northern Western Australia, the Northern Territory and Northern Queensland. These conditions had the potential to impact productivity and project delivery; however, no material damage to assets or financial losses were identified, and no material impacts on the Group's financial position or cash flows were recognised. Given the nature and scale of these events, impacts were not separately quantified, as they were not material to the Group's financial performance, cash flows or financial position.

Table 5: Physical Risk – Extreme Rainfall, Destructive Storms, and Flooding

Risk	Increased intensity and frequency of extreme rainfall, flooding, hailstorms, and severe convective storms resulting in damage to project sites, equipment and client assets, and disruption to project delivery.
Time Horizon	Extreme rainfall, storms and flooding are expected across all time horizons, with impacts increasing over time and becoming more severe under higher emissions scenarios.
Potential Impacts (Current and Anticipated)	Current: • Minor project delays have been experienced due to restricted access, site shutdowns, and weather-related disruptions • Minor damage to a leased facility was identified as a result of cyclone activity Anticipated: • Health and safety risks to personnel (e.g., slips, drowning, lightning, high wind exposure) • Damage to work-in-progress, plant, equipment, and temporary structures • Project delays due to restricted access, site shutdowns, and rework, particularly in regions with limited infrastructure resilience such as Papua New Guinea • Increased insurance costs and supply chain disruption
Mitigation Measures	The Group monitors climate-related weather risks, including cyclones and flooding, using jurisdictional meteorological forecasts and emergency service alerts. These inputs inform site-specific risk assessments, operational planning, and emergency response procedures. During the reporting period, Trigger Action Response Plans (TARPs) for cyclone and flood events were developed and are being progressively implemented across operations. These TARPs will establish defined response actions aligned to severity thresholds and alert levels, supporting timely and consistent operational responses to acute physical climate risks.
Current financial impacts	During the reporting period, offices and project sites in Northern Western Australia, the Northern Territory and Northern Queensland experienced severe storm events, including Cyclone Fina and Cyclone Narelle, resulting in extreme winds and rainfall. During Cyclone Narelle, minor damage to a leased facility was identified and was covered by insurance, with no disruption to operations. Further project delays were experienced across Australia (including QLD, NSW, ACT, VIC) due to wind and rainfall events. These delays were minor in nature and did not result in material impacts on project outcomes or the Group's financial position or cash flows.

Table 6: Physical Risk – Bushfire

Risk	Increased frequency and intensity of bushfires and associated smoke exposure affecting project sites, workforce safety, and surrounding communities, particularly in bushfire-prone and regional areas.
Time Horizon	The effects of bushfire risk could reasonably be expected over the short, medium, and long term, with heightened impacts under more severe climate scenarios.
Potential Impacts (Current and Anticipated)	Current: • The Group has not experienced bushfire-related impacts on its operations during the reporting period Anticipated: • Health risks from smoke inhalation and degraded air quality • Project interruptions, evacuations, and restricted site access • Potential for physical injury or death under catastrophic conditions • Damage to assets, equipment, and nearby infrastructure • Increased insurance, compliance, and emergency response costs • Potential interruption to subcontractors, labour availability, and supply chain logistics in affected regions
Mitigation Measures	The Group monitors bushfire conditions using relevant jurisdictional weather and emergency service alerts and applies site-specific planning, risk assessment, and emergency response procedures. Within the reporting period, a Bushfire Trigger Action Response Plan (TARP) has been developed and will be progressively implemented to strengthen the Group's response to bushfire-related risks across operations.
Current financial impacts	No material direct financial impacts have been identified; however, minor operational impacts were observed, including adjustments to project delivery and scheduling variability.

Table 7: Physical Risk – Variability in Temperature Extremes

Risk	Greater variability between hot and cold days increasing physiological stress on workers and disrupting construction sequencing, material behaviour, and asset performance.
Time Horizon	Temperature variability is expected across all time horizons, with increasing frequency over time and variability influenced by emissions pathways beyond 2030.
Potential Impacts (Current and Anticipated)	Current: • The Group has not identified any impacts from temperature variability outside typical operating conditions during the reporting period Anticipated: • Increased risk of accidents and errors due to acclimatisation stress • Reduced workforce productivity and higher absenteeism • Impacts on curing, application, and performance of construction materials • Additional planning and programming complexity • Potential variability in material performance and supply chain conditions impacting procurement and logistics
Mitigation Measures	The Group's existing HSEQ system supports administrative controls for managing risks associated with temperature variability, including adjusted work schedules and fatigue management protocols, applied in conjunction with site-specific risk assessments. The Group continues to monitor temperature-related risks and will assess the need for additional mitigation measures as part of its ongoing risk management processes.
Current financial impacts	No material direct financial impacts have been identified; however, minor operational impacts were observed, including adjustments to project delivery and scheduling variability.

Table 8: Physical Risk – Sea-Level Rise and Storm Surge

Risk	Rising sea levels and increased storm-surge intensity impacting coastal and marine-adjacent project sites and assets.
Time Horizon	The effects of sea-level rise and storm surge are primarily expected over the **medium and long term**, with compounding impacts over time.
Potential Impacts (Current and Anticipated)	Current: • Minor project delays have been experienced in coastal and marine environments (particularly concentrated in Western Australia and the Northern Territory) due to storm and weather-related conditions, with no material disruption to overall project delivery Anticipated: • Flooding and damage to coastal worksites, equipment, and client assets • Accelerated corrosion and degradation of marine and coastal infrastructure • Access constraints and project delays in coastal locations (including Papua New Guinea) • Growing demand for coastal protection, remediation and adaptation works • Potential disruption to logistics and supply chain operations in coastal and marine areas
Mitigation Measures	Where operations are located in potentially exposed areas, administrative and operational controls are applied, including monitoring of weather and emergency service alerts, contingency planning, and established emergency response procedures. The Group currently monitors coastal and weather-related risks through weather alerts, contingency planning and emergency response procedures.
Current financial impacts	Project delays were experienced; however, these delays were minor in nature and did not result in material impacts on project outcomes or the Group's financial position or cash flows.

Table 9: Physical Risk – Compound and Systemic Climate Risks

Risk	Increasing likelihood of compound, cascading, or sequential extreme weather events, including low-probability, high-impact "tail-risk" events and systemic climate shifts beyond historical experience.
Time Horizon	Compound and systemic climate risks are expected to emerge and intensify primarily over the medium to long term, as interacting hazards (such as heat, drought, flooding, and supply chain disruptions) increasingly cascade across sectors and geographies. These interconnected risks deepen over time due to accumulating stresses on natural and human systems, with impacts becoming more widespread, complex, and severe under higher emissions scenarios.
Potential Impacts (Current and Anticipated)	Current: • The Group has not identified any material impacts from compound or systemic climate risks during the reporting period. However, Northern Australia remains exposed to a number of climate hazards, including cyclonic winds, heavy rainfall, flooding and extreme heat, which were experienced during the year Anticipated: • Amplified safety, operational and asset impacts from concurrent hazards • Increased volatility in project delivery schedules and cash flows • Insurance affordability or insurability challenges • Increased uncertainty in forecasting costs, margins, and resource availability • Supply chain and subcontractor disruption during concurrent or cascading climate events, particularly in geographically remote or infrastructure-constrained locations such as Papua New Guinea
Mitigation Measures	The Group recognises the potential for compound climate events; however, no specific or dedicated mitigation measures are currently in place. These risks are considered through existing risk assessment and emergency management processes and will be further evaluated as part of ongoing climate risk monitoring.
Current financial impacts	No material direct financial impacts have been identified during the reporting period.

Transition Risks

Climate-related transition risks identified through the Climate Risk and Opportunity Assessment arise primarily from changes in market expectations, regulation and stakeholder scrutiny as the economy responds to climate change. Increasing client, investor and community expectations, alongside evolving climate-related regulation, are influencing how work is procured, delivered, and reported. These dynamics create risks relating to competitiveness, compliance, workforce attraction and retention, reputation, and the quality and reliability of climate-related disclosures and are expected Australia-wide. The key transition risks identified are summarised in Tables 10–14.

Table 10: Transition Risk – Market and Stakeholder Expectations

Risk	Increasing expectations from clients, investors, communities and other stakeholders regarding emissions reduction, environmental performance, and climate resilience. Failure to meet these expectations may impact competitiveness and access to work.
Time Horizon	Changing market and stakeholder expectations are expected across all time horizons, with influence increasing over time and varying depending on the pace of transition and regulatory change.
Potential Impacts (Current and Anticipated)	Current: • Climate-related considerations are increasingly being incorporated into tender processes and stakeholder engagement Anticipated: • Reduced success in tenders where climate performance is a key evaluation criterion • Potential loss of work or market access in sectors with heightened emissions-reduction expectations • Increased pressure on margins where emissions-reduction measures are not fully recoverable • Reputational impacts affecting client and investor confidence • Changes in client demand and procurement models as asset owners respond to their own climate targets and regulatory obligations • Increased costs or constraints where subcontractors and suppliers are required to meet evolving regulations and emissions standards
Mitigation Measures	• Monitoring client, investor, and market expectations • Integration of climate considerations into tendering and project delivery • Development of emissions-reduction and resilience-focused service offerings
Current financial impacts	No material direct financial impacts have been identified; however, climate-related considerations have increasingly influenced tender processes and stakeholder engagement during the reporting period.

Table 11: Transition Risk – Regulatory and Policy Change

Risk	Changes to environmental and climate-related regulation at federal, state, and local levels increasing compliance requirements, reporting obligations, and potential costs.
Time Horizon	Regulatory and policy changes are expected across all time horizons, with near-term impacts driven by new disclosure and compliance requirements, and longer-term impacts dependent on the pace and scope of transition policies.
Potential Impacts (Current and Anticipated)	Current: • Climate-related regulation is increasing, including new disclosure and compliance requirements Anticipated: • Increased compliance and assurance costs • Additional administrative resourcing requirements • Potential penalties and/or reputational harm in the event of non-compliance • Need to adjust project delivery practices to meet evolving standards
Mitigation Measures	• Ongoing monitoring of regulatory developments • Integration of climate obligations into governance and risk management frameworks • Investment in systems, processes, and capabilities to support compliance
Current financial impacts	No material direct financial impacts have been identified. However, increased compliance and assurance costs were incurred, including Sustainability reporting assurance and associated internal resourcing requirements.

Table 12: Transition Risk – Workforce Attraction and Retention

Risk	Increased importance of environmental and climate performance in workforce attraction and retention decisions
Time Horizon	Workforce-related transition risks are expected primarily over the medium and long term, with emerging impacts in the near term and increasing significance as transition measures and skill requirements evolve.
Potential Impacts (Current and Anticipated)	Current: • Employees are demonstrating increasing interest and engagement in climate-related matters and associated emissions reduction initiatives Anticipated: • Difficulty attracting and retaining skilled personnel • Increased labour and recruitment costs • Potential constraints on project delivery capacity
Mitigation Measures	• Communication of commitments • Integration of climate considerations into workforce strategy and culture • Development of skills aligned with resilience and low emissions delivery • Increased reliance on subcontractors and specialist suppliers where capability constraints arise
Current financial impacts	No material direct financial impacts have been identified; however, increased internal focus on climate-related regulation, disclosure requirements and associated capability development has required additional engagement and resources.

Table 13: Transition Risk – Reputational Risk

Risk	Reputational damage arising from perceived insufficient climate action, association with high-emissions activities, or failure to meet stakeholder expectations.
Time Horizon	Reputational risks may arise across all time horizons, with impacts increasing over time and influenced by stakeholder expectations, disclosure practices and external scrutiny.
Potential Impacts (Current and Anticipated)	Current: • Increasing stakeholder focus on climate performance and disclosure, including client requests for demonstrated improvements Anticipated: • Reduced attractiveness to clients, investors, and employees • Increased scrutiny from stakeholders and the media • Potential loss of future business opportunities • Increased reputational exposure through third-party associations, including subcontractors, suppliers, or partners with higher emissions or less adaptive measures
Mitigation Measures	• Development of emissions-intensity target (see Metrics and Targets) • Current and ongoing clear communication of CRROs and actions • Integration of climate considerations into strategic decision-making • Ongoing engagement with clients and stakeholders
Current financial impacts	No material direct financial impacts have been identified.

Table 14: Transition Risk – Disclosure and Reporting Risks

Risk	Risk of misstatement, inconsistency, or insufficient quality of climate-related disclosures as reporting requirements increase in scope and scrutiny.
Time Horizon	There is an increasing risk of misstatement, inconsistency or insufficient quality in climate-related disclosures as reporting requirements expand and assurance requirements increase over time.
Potential Impacts (Current and Anticipated)	Current: • The Group is responding to the introduction of climate-related disclosure requirements and increasing expectations regarding the quality and consistency of disclosures Anticipated: • Reputational harm or loss of stakeholder confidence if disclosures are incorrect or incomplete • Potential regulatory consequences or increased assurance costs • Management and Board accountability impacts • Increased requirements for data, reporting and verification across subcontractors and suppliers to support disclosure obligations
Mitigation Measures	• Enhanced governance and internal review of Sustainability disclosures • Alignment of disclosures with recognised standards, including AASB S2 • Progressive improvement of data quality, systems, and controls
Current financial impacts	No material direct financial impacts have been identified; however, increased costs have been incurred in relation to Sustainability reporting, including data management, preparation, and external assurance.

Climate-related opportunities

Climate-related opportunities identified through the Climate Risk and Opportunity Assessment reflect the Group's core purpose and operating model: remediating, strengthening, and extending the life of existing assets and infrastructure. These opportunities are summarised in Tables 15–19.

Table 15: Opportunity – Infrastructure Adaptation and Life Extension

Opportunity	Growing need to adapt existing infrastructure to withstand more frequent, severe, and compounded climate impacts, driving increased demand for asset upgrades, strengthening and life extension works.
Time Horizon	Infrastructure adaptation and life extension opportunities are expected primarily over the medium and long term, with early demand emerging in high-risk regions and increasing as physical climate risks intensify.
Potential Impacts (Current and Anticipated)	Current: • The Group is engaging with clients on infrastructure lifecycle and durability considerations as part of existing project delivery and planning activities Anticipated: • Potential increased demand for remediation, strengthening, and durability engineering services • Longer-term, recurring revenue from asset owners investing in resilience programs • Improved client outcomes through reduced lifecycle costs and asset downtime • Increased collaboration with clients to support resilience-focused asset planning and investment
Implementation Strategies	• Integrate climate-related risk considerations into early project scoping and delivery • Expand resilience-focused methodologies and materials selection • Partner with asset owners to support proactive life-extension planning
Current financial impacts	No observed financial impacts that are explicitly linked to clients requesting adaptation works due to increasing severity, frequency and compounding of weather events.

Table 16: Opportunity – Climate-Resilient Design and Construction

Opportunity	Development of climate-resilient design, construction, and refurbishment solutions, including facades, coatings, and structural systems designed to perform under future climate conditions.
Time Horizon	Opportunities are expected across all time horizons, increasing over time as regulatory requirements and client expectations evolve and transition activity accelerates.
Potential Impacts (Current and Anticipated)	Current: • The Group is integrating climate-resilient design considerations into select tenders, reflecting emerging client requirements Anticipated: • Ability to differentiate through higher-performance, resilience-focused solutions • Increased competitiveness in tenders with climate-adaptation requirements • Potential margin enhancement through specialist, higher-value offerings
Implementation Strategies	• Establish internal design and performance standards that exceed minimum regulation • Develop specialist facade and durability solutions • Embed climate performance criteria into design and construction workflows
Current financial impacts	No observed financial impacts that are explicitly linked to clients requesting climate-resilient design and construction.

Table 17: Opportunity – Asset Vulnerability and Diagnostics

Opportunity	Increased demand for asset condition assessment, diagnostics, and early identification of climate vulnerabilities to inform proactive remediation and resilience upgrades.
Time Horizon	Expected over the **short to medium term**, supporting longer-term adaptation planning.
Potential Impacts (Current and Anticipated)	Current: • The Group is applying asset condition assessment and diagnostic capabilities in support of client asset planning and maintenance activities Anticipated: • Expanded advisory and diagnostic revenue streams • Earlier involvement in asset programs through pre-remediation assessments • Stronger client relationships via data-driven decision support
Implementation Strategies	• Expand application of MEnD diagnostics and non-destructive testing • Integrate vulnerability assessments into early contractor involvement (ECI) models • Support clients with prioritisation of resilience investments
Current financial impacts	No observed financial impacts that are explicitly linked to clients requesting climate vulnerability assessments.

Table 18: Opportunity – Increased Remediation and Restoration Demand

Opportunity	Increased frequency and severity of extreme weather events accelerating asset degradation and damage, leading to higher demand for remediation, restoration and replacement works.
Time Horizon	Impacts are expected across all time horizons, with intensity increasing over time and varying in severity under different climate scenarios.
Potential Impacts (Current and Anticipated)	Current: • The Group continues to undertake remediation works consistent with its core services, including following weather-related events Anticipated: • Higher volume of reactive and planned remediation works • Sustained demand for specialist repair and restoration services • Increased role in emergency response and recovery programs
Implementation Strategies	• Maintain rapid-response and specialist delivery capability • Invest in workforce skills for high-risk and emergency works • Strengthen relationships with asset owners and insurers
Current financial impacts	No observed financial impacts that are explicitly linked to clients requesting additional remediation that can be attributed to climate change.

Table 19: Opportunity – Insurance and Asset Management Collaboration

Opportunity	Collaboration with insurers and asset managers to reduce climate-related risk exposure through resilience upgrades, ECI and evidence-based asset diagnostics.
Time Horizon	Opportunities are expected to develop over the medium and long term, increasing as insurance market dynamics and regulatory requirements evolve.
Potential Impacts (Current and Anticipated)	Current: • The Group is engaging with clients and asset managers to support risk-informed project planning and delivery activities Anticipated: • Access to new work streams linked to risk reduction and insurability • Enhanced client value proposition through risk-informed upgrades • Strengthened partnerships with insurers and asset managers
Implementation Strategies	• Engage insurers in resilience-focused project planning • Use diagnostic data to support risk reduction and premium outcomes • Develop ECI based delivery models for resilience programs
Current financial impacts	No observed financial impacts that are explicitly linked to clients requesting remediation or adaptation work to reduce cost of asset insurance.

The climate-related risks and opportunities identified in Tables 4–19 form the basis for the assessment of current and anticipated financial effects, scenario analysis and resilience described in the following sections.

Current and Anticipated Financial Effects

The anticipated financial effects described in this section are primarily associated with the physical risks of extreme heat, extreme rainfall, flooding and storms (Tables 4–5), together with transition risks relating to stakeholder expectations and regulatory change (Tables 10–11).

During the reporting period, climate-related physical risks including extreme heat (Table 4) and severe storm and rainfall events (Table 5) resulted in minor operational impacts such as project delays, weather-related downtime, and isolated asset damage. Particularly, it is noted that impacts to operations occur in Northern Western Australia and Northern Territory during Australia's tropical cyclone season.

Transition risks, including increasing stakeholder expectations and regulatory requirements (Tables 10–11), have resulted in increased compliance and reporting costs (including Sustainability reporting assurance) and additional internal resourcing requirements. These impacts were not material to the Group's financial performance, cash flows, or financial position.

The assessment indicates that CRROs may influence financial performance across the short, medium and long term, with effects varying by hazard type and climate scenario.

In the short term, the physical risks described in Tables 4–5 have resulted in minor project delays, weather-related downtime and scheduling disruption across a number of project locations. These risks are expected to contribute to modest increases in operating costs, project delivery variability and expenditure on mitigation measures. Transition risks described in Tables 10–11 have resulted in increased compliance, reporting and assurance costs and may continue to increase administrative and regulatory expenditure over the short term.

In the medium term, the physical risks outlined in Tables 4–8 may increase operating and project delivery costs, with impacts becoming progressively more pronounced under higher emissions scenarios. These risks may be partially offset by the opportunities identified in Tables 15–19, supporting future revenue growth as demand for adaptation, resilience and remediation services increases.

Under higher emissions scenarios, the physical risks identified in Tables 4–9 may result in more significant increases in operating, project delivery and insurance costs and greater operational disruption. Transition risks identified in Tables 10–14 may result in higher compliance, reporting and workforce-related costs.

Based on current assessments, the Group does not consider there to be a significant risk of material adjustment to the carrying value of assets or liabilities within the next reporting period as a result of climate-related risks and opportunities.

In response to identified climate-related risks and opportunities, the Group has allocated resources to climate-related governance, risk assessment and reporting capabilities. This includes the establishment of a dedicated Sustainability function and the development of internal capabilities, systems and processes to support data collection, risk management and emissions reduction initiatives.

The Group currently relies on qualitative assessment and available operational data. Management is evaluating opportunities to enhance data quality and analytical capability over time.

Climate Scenario Analysis

Building on the whole-of-group CRROs identified in Tables 4-19 above, the Group undertook an initial climate risk assessment in FY25, with further refinement during FY26. The scenario analysis was conducted in FY26 through an iterative process, beginning with an initial assessment of CRROs, followed by consultation with executive management to review, challenge and refine the outputs. Insights from these sessions were used to further develop and calibrate the analysis, which was subsequently integrated into the Group's broader risk management framework.

The purpose of the scenario analysis is to understand how the nature, scale, and timing of identified CRROs may change under different climate pathways, and to assess the Group's resilience under varying physical and transition risk conditions.

To inform this assessment, the Group applied scenario analysis aligned with the IPCC Sixth Assessment Report (AR6), CSIRO's State of the Climate, and Australia's National Climate Risk Assessment, using three Shared Socioeconomic Pathways (SSPs). These scenarios are used to assess climate-related physical risks and transition risks.

Three Shared Socioeconomic Pathways (SSPs) were selected to represent distinct and relevant climate futures, each serving a specific role in assessing resilience. 1.5°C-aligned scenario (SSP1/RCP 1.9), consistent with the Paris Agreement, assesses resilience under a rapid, policy-driven transition with strong decarbonisation and elevated regulatory and market expectations. A mid-range scenario (SSP2/RCP 4.5) assesses performance under a more gradual and potentially disorderly transition, with mixed policy action and increasing transition and physical risks. A higher emissions scenario (SSP3/RCP 7.0) assesses exposure to severe physical climate risks, including more frequent and intense extreme weather, under limited global mitigation.

Together, this range of scenarios enables the Group to evaluate the resilience of its strategy, operations and value chain across differing levels of policy ambition, transition risk and physical climate impact severity. The climate scenarios applied in the analysis and their key characteristics are summarised in Table 20.

Table 20: Scenario Selection and Characteristics

Low emissions SSP1 / RCP1.9	Very low-emissions scenario aligned with limiting global warming to ~1.5°C above pre-industrial levels; characterised by rapid global mitigation, net zero by ~2050, accelerated transition, lower physical impacts, and high transition pressures.
Middle of the Road SSP2 / RCP4.5	Intermediate emissions; moderate mitigation; 'middle-of-the-road' socio-economic development; physical impacts more severe than SSP1/RCP1.9, but less than high-end scenarios (warming ~2.5°C).
High emissions SSP3 / RCP7.0	High emissions; limited mitigation; regional rivalry and slow policy response; significant and accelerating physical risks (warming >3°C).

Each scenario was used to assess the potential evolution of the identified CRROs, including changes in exposure to physical climate hazards such as extreme heat, rainfall, and bushfire as well as transition-related pressures arising from regulation, market expectations, workforce dynamics, and disclosure requirements. The scenario analysis also informed consideration of how climate-related opportunities aligned with the Group's core focus on remediation, asset adaptation, and life extension may emerge or intensify under different futures.

Impacts were assessed across short-term (FY26–FY30), medium-term (FY30–FY40) and long-term (FY40–FY60) horizons. The key assumptions underpinning each scenario are summarised in Table 21.

Table 21: Scenario Assumptions and Context

	SSP1 / RCP1.9 VERY LOW-EMISSIONS TRANSITION SCENARIO (1.5°C ALIGNED)	SSP2 / RCP4.5 MIDDLE-OF-THE-ROAD SCENARIO (≈2–3.5°C)	SSP3 / RCP7.0 HIGH-EMISSIONS, HIGH PHYSICAL RISK SCENARIO (≈3.3–5.7°C)
Rationale	• Alignment with 1.5°C pathways and coordinated transition outcomes in Australia • Best practice scenario for transition risk stress testing • In Papua New Guinea, reflects a more gradual and capacity-dependent transition	• Reflects a plausible business-as-usual pathway with partial mitigation • Widely used as a reference for expected impacts and risk exposure • In Australia, reflects incremental transition, while in Papua New Guinea it reflects variable policy implementation	• Captures limited mitigation and high physical climate risk • In Australia, reflects increasing hazard exposure and delayed transition In Papua New Guinea, reflects heightened vulnerability and constrained adaptive capacity
Reference	IPCC AR6; TCFD Guidance	IPCC AR6; CSIRO State of the Climate	Australian Climate Service webinar on Climate Risk
Climate-related policy assumptions	Strong, early and coordinated global and national climate policy enabling a 1.5°C-aligned transition, including mandatory disclosures and increasing regulatory and market expectations.	Moderate and uneven policy response with incremental tightening of climate regulations and mixed adoption of mitigation measures.	Weak and fragmented climate policy response, limited mitigation, and reactive adaptation focused on immediate impacts.
Macroeconomic assumptions	Near-term transition costs from accelerated decarbonisation, followed by more stable and resilient long-term economic conditions.	Moderate economic volatility driven by intermittent climate disruptions, higher insurance costs, and repair expenditure.	High economic volatility, elevated costs from repeated disruptions, asset damage, insurance constraints and infrastructure repair and replacement.
Regional variability	Climate impacts continue across Australia, with moderated long-term severity but ongoing heat exposure in Northern Australia and bushfire risk in South West regions.	Increased intensity and frequency of extreme events across most regions; coastal and northern regions face heightened exposure.	Significant regional divergence with severe impacts in Northern Australia, coastal regions and remote locations, and compounding risks nationwide.

	SSP1 / RCP1.9 VERY LOW-EMISSIONS TRANSITION SCENARIO (1.5°C ALIGNED)	SSP2 / RCP4.5 MIDDLE-OF-THE-ROAD SCENARIO (≈2–3.5°C)	SSP3 / RCP7.0 HIGH-EMISSIONS, HIGH PHYSICAL RISK SCENARIO (≈3.3–5.7°C)
Energy usage and mix	Rapid transition to low-emissions electricity, with widespread electrification and minimal reliance on fossil fuels.	Partial decarbonisation of energy systems; continued reliance on fossil fuels with growing exposure to price volatility and supply disruption.	High reliance on fossil fuels with limited transition; elevated exposure to fuel price volatility and supply disruption during extreme events.
Technology developments	Accelerated uptake of low-emissions technologies, energy-efficient systems and climate-resilient solutions supported by strong investment.	Gradual and uneven adoption of new technologies, often constrained by cost and availability.	Slower technology uptake outside emergency responses; focus on durability, resilience, and recovery rather than efficiency or emissions reduction.

Limitations

Climate scenario analysis involves inherent limitations and uncertainties and is not intended to predict or indicate likely future outcomes. The scenarios applied by the Group are illustrative only, do not represent probabilities, and are based on a range of assumptions that are subject to change. The analysis does not indicate whether any scenario will eventuate, and actual outcomes may differ due to factors beyond those considered in the assessment.

Uncertainty arises from the difficulty in forecasting the future frequency, severity, timing, and geographic distribution of climate-related hazards, as well as the pace and nature of transition-related developments. While climate models provide broad, regional-level projections for physical hazards such as rainfall, flooding, heat and bushfire conditions, these projections may not be directly attributable to the specific locations, timing, or conditions at individual project sites. Given the project-based and geographically dispersed nature of operations, localised impacts may vary materially from modelled averages.

There is also uncertainty associated with future policy, regulatory, and market developments related to climate change. The timing, scope and stringency of emissions-reduction policies, regulation and mandatory disclosure requirements remain subject to ongoing global and domestic political, economic, and societal influences. Changes in these areas may occur more rapidly or differently than expected, affecting compliance requirements, operating costs, and market conditions.

In addition, stakeholder expectations, including those of clients, investors, employees, insurers and communities, are influenced by evolving societal views, financial capacity, physical climate impacts, and broader industry trends. These expectations are inherently uncertain and may change in response to future climate events, regulatory developments, or shifts in market sentiment.

The assessment of climate resilience should be considered in the context of its limitations. The Group will continue to monitor emerging climate science, regulatory developments, and stakeholder expectations, and will refine its approach to CRROs, and scenario analysis over time as information, methodologies and data quality continue to evolve.

Climate Resilience

Climate resilience was assessed through the scenario analysis described above, which evaluated how the climate-related risks and opportunities identified in Tables 4–19 may evolve across different climate pathways and time horizons. This assessment considered the potential operational, strategic and financial implications of those risks and opportunities, together with the Group's existing governance, risk management and operational response processes.

The scenario analysis outcomes and associated response actions are summarised in Tables 22–24. Across all scenarios assessed, the nature, timing and severity of climate-related impacts varied, with higher emissions scenarios generally resulting in greater exposure to physical climate hazards and associated operational disruption. Lower emissions scenarios were characterised by comparatively lower physical risk impacts, but increased transition-related pressures associated with climate policy, stakeholder expectations and emissions reduction requirements.

The analysis indicates that climate-related risks and opportunities may influence project delivery, workforce productivity, operating costs and demand for services over time. However, the magnitude and timing of these impacts remain subject to uncertainty and depend on future climate conditions, regulatory developments, technological change and market responses.

The Group's ability to respond to these risks is supported by its operational flexibility, project-based delivery model and established risk management processes. The Group is able to adjust project sequencing, resourcing, and delivery methodologies in response to changing climatic conditions and to incorporate revised assumptions into estimating, pricing and contractual arrangements.

The Group currently uses existing systems and processes to identify and monitor climate-related risks. Management is assessing opportunities to enhance data capability and systems integration over time.

Across all climate scenarios, extreme heat and humidity emerge as the most significant and persistent resilience challenge for the Group, affecting workforce safety, productivity, and construction processes across short, medium and long term horizons. These impacts are compounded by extreme rainfall, flooding, bushfire smoke, and destructive storm activity, which elevate safety and delivery risks, particularly for coastal, marine, and remote projects where access disruption and emergency response requirements (including evacuation) intensify over time.

The assessment indicates that the Group's current ability to respond to acute physical climate risks is supported by existing operational controls, including trigger action response plans, thermal stress management procedures and emergency preparedness processes. The analysis also identified increasing challenges where multiple climate hazards occur concurrently or sequentially, particularly across extended project durations and geographically remote operating locations, as outlined in Tables 22–24.

Weather-related disruption to project delivery increases across all scenarios, with severity strongly dependent on global emissions pathways. Under SSP1/RCP1.9, more frequent short-duration stoppages driven by heat, storms and bushfires remain manageable through adaptive planning and program allowances. By the medium term under SSP2/RCP4.5, higher baseline allowances for weather delays, access constraints and rework are required, particularly for civil, marine and facade work. Under SSP3/RCP7.0, frequent severe events, including cyclone intensification, flooding and prolonged heatwaves drive substantial volatility in program delivery, with some sites experiencing temporary unviability during peak hazard periods. Across medium and long-term horizons, accelerated corrosion, material degradation and asset weathering increase demand for inspection, remediation, and protective coatings, while also heightening cost exposure if future climate conditions are not priced appropriately. The scenario analysis identified potential opportunities associated with remediation, asset life extension, resilience and adaptation services. The extent to which these opportunities emerge will depend on future client requirements, asset owner investment decisions, regulatory settings and broader market conditions.

Based on the scenario analysis undertaken, the Group currently considers its strategy and business model to be reasonably resilient across the scenarios assessed. This assessment reflects the Group's current operational flexibility, project-based delivery model and established risk management processes, while recognising that climate-related risks may increase in severity over time, particularly under higher-emissions scenarios.

When reviewing Tables 22–24, it should be noted that the low- and medium-emissions scenarios produce broadly similar risk profiles. Under the high-emissions scenario, physical climate risks become increasingly significant, resulting in a different mix of risks and opportunities being highlighted.

Scenario outcomes are not presented for all identified CRROs due to current maturity of data.

Table 22: Low-emissions scenario – Risks, Impacts and Mitigation Actions

IMPACT	MITIGATION
Transition – Regulatory and policy change	
• Strong, coordinated and accelerated climate regulation, including emissions reduction targets, mandatory disclosures and tightening standards • Increased expectations for low-emissions construction practices, materials specification and reporting • Higher short-term compliance and administrative costs • Margin pressure where accelerated transition costs are not fully recoverable	**Short to medium term** • Integrate regulatory requirements into governance, risk management, and project delivery processes • Enhance internal systems, data quality, and controls to support compliance and disclosure obligations **Medium to long term** • Embed low-emissions methodologies, materials, and practices into standard delivery models • Use ECI to allocate transition costs more effectively with clients
Transition – Market and stakeholder expectations	
Rapidly increasing expectations for emissions reduction and climate resilience • Climate performance becomes a core tender requirement • Faster loss of competitiveness if expectations are not met	**Medium to long term** • Align service offerings with client and market expectations for low-emissions and resilient outcomes • Strengthen communication of initiatives and performance in tenders and stakeholder engagement • Adjust business development focus toward resilience and adaptation-aligned work
Physical Risk – Extreme Heat and humidity	
• Even under a very low-emissions pathway, increased frequency of hot and humid days relative to historical conditions • Elevated heat stress risk for outdoor and remote project sites, reducing safe work windows • Productivity losses and scheduling impacts during extreme heat events	**Short to medium term** • Implement heat-stress management procedures, thermal monitoring, and Trigger-Action-Response Plans • Adjust work sequencing, shift structures, and PPE requirements **Medium to long term** • Embed heat allowances and productivity derating into planning and estimating methodologies • Invest in heat-resilient work practices and technologies
Physical Risk – Extreme rainfall, destructive storms and flooding	
• Increased intensity of short-duration rainfall events, even where total rainfall remains moderate • Greater risk of localised flooding, access restrictions, and temporary works damage at project sites • Increased rework, delay and cost risk compared to historical conditions	**Short to medium term** • Enhance site-specific flood risk assessments and weather monitoring • Incorporate drainage, de-watering and protection measures into temporary works planning **Medium to long term** • Integrate rainfall and flood allowances into program logic, pricing and contractual risk allocation
Opportunity – Infrastructure adaptation and life extension	
• Strong growth in investment in decarbonisation, adaptation and asset life extension • Increased demand for low-emissions and climate-resilient solutions	**Medium to long term** • Expand diagnostics, remediation and life-extension services aligned with transition objectives • Leverage the Group's core capability in extending asset life as a low-emissions outcome • Position as a delivery partner for transition-aligned infrastructure programs

Table 23: Medium-emissions scenario – Risks, Impacts and Mitigation Actions

IMPACT	MITIGATION
Transition – Regulatory and Policy Change	
• Gradual tightening of regulation and standards over time • Increased compliance, reporting and assurance costs across jurisdictions • Potential margin pressure where transition costs are not fully recoverable	**Short to medium term** • Monitor evolving regulatory requirements, integrate into governance, and project delivery • Strengthen systems, data quality and controls for climate and Sustainability reporting **Medium to long term** • Embed low-emissions practices into standard delivery models • Use ECI to clarify regulatory obligations and cost allocation
Transition – Market and stakeholder expectations	
• Increasing expectations from clients, investors and communities for emissions reduction and climate resilience • Climate performance becomes a differentiator in procurement and partner selection • Risk of reduced competitiveness if expectations are not met	**Medium to long term** • Align service offerings with evolving client expectations • Strengthen communication of climate and responsible business performance in tenders • Focus business development on resilience and adaptation-aligned work
Physical risk – Extreme heat and humidity	
• More frequent hot and humid days relative to historical conditions • Elevated heat-stress risk to workforce at outdoor and remote sites • Reduced safe work windows and productivity losses	**Short to medium term** • Implement heat-stress management procedures, monitoring, and Trigger-Action-Response Plans • Adjust shifts, sequencing, and PPE requirements **Medium to long term** • Embed heat allowances and productivity derating into estimating and planning • Invest in heat-resilient work practices and equipment
Physical risk – Extreme rainfall, destructive storms and flooding	
• Increased intensity of short-duration rainfall events causing localised flooding • Greater risk of site access issues, damage to temporary works and rework • Higher likelihood of delays and cost overruns compared to historical conditions	**Short to medium term** • Enhance site-specific flood risk assessments and weather monitoring • Incorporate drainage, de-watering, and protection measures into temporary works planning **Medium to long term** • Integrate rainfall and flood allowances into program logic, pricing, and contractual risk allocation
Opportunity – Infrastructure adaptation and life-extension	
• Accelerating asset degradation increases demand for remediation, strengthening, and protective works • Asset owners increasingly prioritise adaptation over replacement	**Medium to long term** • Expand diagnostics, remediation, and life-extension services • Position the Group as a partner for long term adaptation and resilience programs • Leverage inspection and durability expertise to support proactive intervention

Table 24: High-emissions scenario – Risks, Impacts and Mitigation Actions

IMPACT	MITIGATION
Physical Risk – Extreme Heat and humidity exposure	
• Significantly increased frequency, duration and severity of extreme heat and humidity events • Substantial heat-stress risk to personnel, particularly on outdoor, remote and self-perform sites • Reduced safe work windows, frequent stand-downs and material productivity losses • Increased workforce fatigue, health incidents, and operational disruption across medium and long-term horizons	**Short to medium term** • Strengthen heat-stress management procedures, continuous monitoring, and Trigger-Action-Response Plans • Adjust work sequencing, shift arrangements, and seasonal scheduling to avoid peak heat periods **Medium to long term** • Embed heat-related productivity derating and contingency allowances into estimating and program planning • Invest in heat-resilient work practices, mechanisation, and technologies to reduce physical exposure
Physical Risks – Extreme rainfall, destructive storms and flooding	
• Frequent severe events—including intense rainfall, flooding, destructive storms, and cyclone intensification—drive substantial volatility in program delivery • Some project sites experience temporary unviability during peak hazard periods, particularly coastal, marine, and northern operations • Increased damage to temporary works, equipment and works-in-progress • Heightened schedule uncertainty, delays, and rework costs	**Short to medium term** • Enhance site-specific flood and storm risk assessments and real-time weather monitoring • Strengthen emergency response, evacuation, and business continuity planning **Medium to long term** • Integrate severe weather contingencies into program logic, pricing and contractual risk allocation • Prioritise timing, staging and geographic exposure in project selection and delivery planning
Physical Risk – Bushfire, smoke, and air quality exposure	
• Increased frequency and severity of bushfires and prolonged smoke events • Health and safety risks from poor air quality and fire proximity • Project suspensions, evacuations, and access constraints in bushfire-prone regions • Community disruption affecting workforce availability and local services	**Short to medium term** • Strengthen bushfire preparedness, air-quality monitoring and evacuation procedures • Implement work stoppage thresholds linked to smoke and fire conditions **Medium to long term** • Incorporate bushfire risk into site planning, scheduling and logistics strategies • Ensure appropriate insurance coverage for bushfire-exposed operations
Physical Risks – Compound and systemic physical climate risks	
• Increasing likelihood of multiple concurrent or sequential extreme events (e.g. heat + rainfall + flooding) • Nonlinear impacts and tipping-point effects resulting in conditions outside historical experience • Increased volatility in operations, cash-flow timing, and resource availability • Heightened uncertainty in long-term forecasting and program viability	**Medium to long term** • Apply scenario-based stress testing for compound events during planning and estimation • Build strategic flexibility into resourcing, scheduling, and commercial models • Strengthen enterprise risk management and business continuity frameworks
Opportunity – Increased remediation and restoration demand	
• Recurrent extreme weather and accelerated degradation significantly increase demand for inspection, remediation, strengthening, and protective coatings • Asset owners increasingly prioritise adaptation and life-extension as replacement becomes cost-prohibitive • Growth in large-scale resilience, recovery, and adaptation programs	**Medium to long term** • Expand diagnostics, non-destructive testing, and inspection capability to identify climate-driven deterioration • Leverage the Group's core expertise in remediation, protective coatings, and asset life-extension • Position the Group as a delivery partner for long-term adaptation and recovery programs

Risk Management

The Group applies risk management across policies, procedures and business planning to support informed decision-making, protect value and identify opportunities. CRROs are considered within relevant business processes to support long-term resilience.

The Group's climate-related risk and opportunity management approach was established in FY25 and is reviewed periodically to reflect evolving business and external conditions.

Approach to Risk Management

The Group applies AS/NZS ISO 31000 Risk Management – Principles and Guidelines to support the identification, assessment and management of risks and opportunities. The framework provides a consistent approach to risk management and supports the management of critical business processes. As outlined in the Governance section, management is responsible for the identification, assessment and management of risks, with oversight of the risk management framework exercised by the Audit & Risk Committee and ultimate accountability retained by the Board.

Under this approach, there are five key stages to this management process.

1. **Communicate and consult** – with internal and external stakeholders
2. **Establish context** – the boundaries
3. **Risk assessment** – identify, analyse and evaluate risks
4. **Treat risks** – implement and assess controls to address risk
5. **Monitoring and review** – risk reviews and audit

The Group has developed a risk management strategy based on the identified context. The context of the Group can be defined as:

- Operational context – this involves looking at the ways in which an organisation goes about its business. Most operational factors are internal factors, which are often changeable by the management structure
- Strategic context – this involves looking at the environment (including legal frameworks) within which an organisation operates. Most strategic factors are external factors which can easily change, but these changes are not usually controlled by the organisation itself

Climate-related Risks and Opportunities

The assessment of climate-related risks and opportunities comprises three stages:

Identify | **Analyse** | **Evaluate**

Identification

The Group identifies CRROs that could materially affect the business, including risks arising beyond its direct operational control. The identification process is aligned with the Group's Risk and Opportunity Management Procedure and is considered within broader risk management processes.

CRROs are identified across the value chain by considering the Group's business model, operating segments, revenue and cost drivers, geographic footprint, workforce exposure, and historical operational experience, including past weather related disruptions and HSEQ impacts. This internal assessment supports the evaluation of risks in the context of how the business operates, where it operates, and how value is created and protected.

To supplement internal analysis, the Group considers a range of external data sources and expert outputs to support CRRO identification using available, science based information. External inputs include the National Climate Risk Assessment findings and methodology, IPCC AR6 climate science, and the application of Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). Climate projections and hazard data from CSIRO, the Bureau of Meteorology, the Australian Climate Service, and the IPCC Interactive Atlas are used to identify region specific physical risks such as extreme heat, bushfire, flooding, cyclones, and compounding climate events that may affect the Group's assets, projects, and workforce.

Climate-related scenario analysis is applied using the above noted inputs to assess how different climate futures may impact the Group's operations, assets, projects and value chain, and to enhance the identification of both physical and transition risks and opportunities. These inputs also support the identification of climate-related opportunities, including those arising from changing environmental conditions, evolving market demand, and the transition to a low-carbon economy.

The identification process also considers transition related risks and opportunities and emerging external drivers, including federal, state, and local climate related regulations, evolving client expectations and broader market and financial impacts. Academic and technical references on heat stress, tipping points, and compound events are used to identify less visible but potentially material risks to workforce safety, productivity, asset performance and project delivery. By combining internal knowledge with external climate data and policy developments, the Group seeks to identify CRROs in a consistent manner to support scenario analysis and the assessment of potential climate-related impacts on the business. The internal and external inputs considered in the identification of CRROs are summarised in Table 25.

Table 25: Internal and External Inputs to Climate Risk Identification

INTERNAL INPUTS	EXTERNAL INPUTS
Group business model, operating segments, revenue, and cost drivers	National Climate Risk Assessment findings and methodology
Geographic footprint and regional exposure	IPCC AR6 climate science, SSP and RCP scenarios
Risk Management Policy and Procedure	CSIRO and Bureau of Meteorology data and forecasts
Historical operational experience of weather-related disruptions and HSEQ impacts	Australian Climate Service and IPCC Interactive Atlas regional projections
Workforce exposure and HSEQ considerations	Federal, state, and local government regulations
Existing policies, procedures and controls pertaining to inclement weather and emergency response	Client expectations
Academic and industry literature	Academic and technical references on heat stress, tipping points, and compound events

Analysis

The Group assesses and prioritises CRROs using its Risk and Opportunity Management Procedure, which is applied through the Group's HSEQ management system. Once CRROs have been identified, they are formally documented within the Climate Risk and Opportunity Register and assessed using consistent criteria applied across the business.

Each identified climate-related risk and opportunity is assessed through an evaluation of both consequence severity and likelihood. Consequence severity considers the most credible potential impact should the risk materialise, across multiple dimensions including people, environment, operations, financial performance, reputation, legal compliance, and project delivery. This multi-criteria approach enables the Group to capture the broader business impacts of CRROs, such as workforce safety during extreme heat, asset damage from bushfires or flooding, project delays, cost overruns, or reputational impacts arising from client or community expectations.

The likelihood of each climate-related risk and opportunity is then assessed using defined likelihood descriptors ranging from Rare to Almost Certain. Likelihood ratings consider the expected frequency of occurrence over the relevant planning horizon and are informed by external climate data, scenario analysis of outputs, historical experience, and expert judgement. For physical climate risks, likelihood assessments are informed by climate scenarios, emissions pathways and return-time-interval analysis, while transition risks and opportunities consider policy direction, regulatory change, market trends, technological developments and client behaviour.

Consequence and likelihood ratings are combined using the Group's risk matrix to determine an overall inherent risk rating of Low, Moderate, High, or Extreme. This rating reflects the level of risk or opportunity in the absence of additional controls or mitigation actions. Where existing controls are already in place, the effectiveness of those controls is considered to derive a residual risk rating, which represents the level of risk remaining after controls are applied. This approach supports a balanced assessment of CRROs and reflects current management practices.

Risk prioritisation is driven by the residual risk or opportunity rating and governed by the Group's decision matrix. Risks rated as Extreme require immediate attention and must not proceed without senior management approval, while High risks must be reduced as far as is reasonably practicable prior to acceptance and require approval at the Project or Area Manager level. Moderate and Low risks are managed through routine controls, monitoring, and review.

CRROs and their prioritisation are subject to review to reflect changes in business operations, climate data, regulatory requirements, and external conditions. Noting its initial development in FY25, the Climate Risk and Opportunity Register is reviewed at least annually and is also updated following significant events, incidents, or changes in assumptions. Outcomes from the assessment and prioritisation process are reported through the governance arrangements described in the Governance section. The outcomes of the Climate Risk and Opportunity Assessment informed the disclosures in the Strategy, Climate Scenario Analysis, Climate Resilience, Current and Anticipated Financial Effects, and Metrics and Targets sections of this report, including the identification of climate-related service opportunities and the development of the Group's emissions intensity target.

Evaluation

Evaluation focuses on interpreting risk assessment outcomes to determine which CRROs require the greatest attention and management focus. Consistent with the Group's safety-first approach, this includes consideration of both the most likely risks and those that could credibly result in the most significant harm. Risks with high consequence severity are prioritised, even where their likelihood may be lower, ensuring hazards such as extreme heat, bushfire, flooding, workforce safety impacts, and major project disruption are appropriately considered.

Evaluation outcomes are used to determine the level of oversight and response required and are escalated through the governance arrangements described in the Governance section. This prioritisation approach supports the management of climate-related risks according to their assessed significance to the business and stakeholders. A subset of climate-related risks and opportunities identified through the Climate Risk and Opportunity Register are included in the Group's Master Risk Register and monitored alongside other strategic, operational, financial and compliance risks through the Group's broader risk management framework.

Climate-related risks and opportunities are monitored through ongoing review of changing business and external conditions, with changes considered through the Group's risk management and governance processes.

The Group recognises that its climate-related risk and opportunity management approach is evolving and will continue to be enhanced over time as data quality, methodologies, and integration into core business processes mature. The Group's climate-related risk and opportunity management approach was established in FY25, and no material changes were made to the underlying methodology during the reporting period.

Metrics & Targets

The metrics and targets described in this section support monitoring of transition-related risks and opportunities identified in Tables 10–19 and enable the Group to track progress against elements of its climate strategy.

Scope 1 and 2 Emissions

The Group measures and reports Scope 1 and Scope 2 greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and the GHG Protocol Scope 2 Guidance.

Emissions are reported using an equity share approach and include the Group's proportional economic interest in subsidiaries, associates and joint arrangements. Scope 1 emissions comprise direct GHG emissions from sources owned or controlled by the Group, while Scope 2 emissions represent indirect emissions associated with purchased electricity consumption.

In accordance with the GHG Protocol Scope 2 Guidance, Scope 2 emissions are disclosed using both location-based and market-based methods. The Group procures a portion of its electricity consumption through accredited GreenPower arrangements.

Further information regarding organisational boundaries, emissions sources, methodologies, emissions factors, assumptions and estimation uncertainty is provided in the Basis of Preparation section.

Emissions attributable to fully consolidated operations are presented separately from emissions attributable to associates. Emissions are summarised in Table 26a and Table 26b, with associated intensity metrics presented in Table 27.

Table 26a: Scope 1 and 2 emissions (statutory disclosure)

EMISSIONS	UNIT	SCOPE 1	SCOPE 2
Consolidated entities	tCO^2e	4,432	1,030
Associates and joint arrangements	tCO^2e	200	14
Total reported emissions	tCO^2e	5,676	

Table 26b: Scope 2 emissions (location-based method)

METRICS	UNIT	VALUE
Scope 2 (location-based)	tCO^2e	1,044

Table 27: Scope 1 and 2 emissions (voluntary disclosure)

METRICS	UNIT	VALUE
Scope 2 (market-based)	tCO^2e	867
Scope 1 and 2 intensity (location based)	tCO^2e/EBITDA	97

Scope 1 and 2 Emissions Target

An exercise was undertaken to assess opportunities to reduce Scope 1 and Scope 2 emissions intensity and support the development of the Group's emissions reduction target and associated initiatives.

The target range was developed through a series of workshops involving the Chief Operations Officer, the Executive Manager – Commercial and the Procurement team and was led by the Group's internal Sustainability function.

The Group is not currently subject to any legislated or legally binding climate-related targets. However, the emissions intensity target described below forms part of the Group's response to transition-related risks identified in Tables 10–14, including evolving regulatory requirements, stakeholder expectations and reputational considerations.

Target Rationale

Emissions intensity was selected as the target metric to reflect the Group's operational model and financial performance, with EBITDA chosen as the normalising factor.

As a project-based organisation, the Group's activity levels, revenue, and emissions can significantly fluctuate year-to-year due to changes in project mix, contract timing, geographic location, and client demand. Absolute emissions alone would not accurately reflect decarbonisation progress, as increases or decreases may relate more to business growth or contraction than to underlying emissions performance.

An EBITDA-normalised intensity metric enables the Group to track decarbonisation performance relative to value creation, supporting continued growth while driving improved carbon efficiency.

Target

During the reporting period, a Group-wide target to achieve a **30–50% reduction in Scope 1 and Scope 2 gross emissions intensity by 2035** was established. This target is intended to be achieved through direct emissions reduction initiatives. The target and underlying target-setting methodology have not been independently verified by a third party. FY26 has been adopted as the baseline year, representing the first year in which greenhouse gas emissions are formally disclosed and the commencement of the target period. As the target was established during the reporting period, no revisions were made to the target. Performance against the target will be reported in future reporting periods.

The Group's emissions reduction target is not currently aligned to a formal sectoral decarbonisation approach, external science-based methodology or international climate agreement. The target was established based on the Group's operational profile, emissions sources and ability to influence emissions through direct emissions reduction initiatives, including energy efficiency measures and renewable electricity procurement. The Group does not currently intend to use carbon credits or offsets to achieve the target and has not established interim quantitative milestones. Alignment with external frameworks will continue to be assessed as the Group's climate strategy matures.

Key Emissions Reduction Initiatives

The target-setting process also identified and prioritised the initiatives that will underpin delivery of the Scope 1 and Scope 2 target. Based on this assessment, the Group has prioritised the following actions:

- **Fleet electrification**

  Progressive adoption of electric vehicles across the fleet, recognising that operational requirements and site conditions will influence the pace and suitability of electrification

- **Electrification of plant and machinery**

  Transitioning to lower-emissions owned and rented plant and equipment where feasible, including electric compressors, hybrid power systems, and the deployment of Battery Energy Storage Systems (BESS)

- **GreenPower purchase**

  Working with electricity retailers or delivery partners to procure accredited GreenPower, ensuring that purchased electricity is sourced from certified renewable energy generation sources

Governance

As the target was established during FY26, the first formal review is expected to occur during the FY27 reporting cycle.

The review process will consider progress against the target, changes in the Group's emissions profile, energy consumption trends, and developments in market conditions, regulatory requirements, and available low-emissions technologies.

During target development, the Group also modelled both a 'Rapid' and 'Slow' emissions reduction pathway, which informed the establishment of the target range. The intent was to better understand the key assumptions, limitations and interdependencies that influence the scale and pace of its emissions-reduction potential.

Assumptions and Limitations:

Key assumptions and limitations are as follows:

- **Fleet composition and electrification**

  It is recognised that remote-based vehicles cannot be readily electrified due to current market and operational constraints. Electrification is primarily driven by organic replacement cycles, resulting in fewer EVs added in the early years and delayed retirement of legacy diesel vehicles

- **Fuel pricing**

  The Group assumes upward pressure on fuel prices resulting from a shift toward premium fuels

- **Project plant and equipment**

  The Group is reliant on rental agreements and capital investment to support onsite electrification and reduced diesel use. Likewise, initiatives to reduce diesel consumption through electrification are required to be approved by Clients on-site

- **Scope 2: Electricity and GreenPower**

  The Group has opted to rely upon accredited GreenPower and is therefore reliant on market availability and organisational adoption

Additional Climate-related Metrics and Disclosures

The Group has not quantified exposure to CRROs or climate-related capital deployment, due to current maturity of data. Exposure is currently assessed qualitatively through the Climate Risk and Opportunity Assessment and monitored through the Group's risk management and governance processes. These indicate exposure is predominantly concentrated within project delivery activities across the Group's entities, as well as supply chain operations.

The Group does not apply an internal carbon price, and no Executive remuneration was directly linked to climate-related key performance indicators during the reporting period.

Basis of Preparation, Judgements, and Assumptions

The Group's climate-related disclosures, including Scope 1 and 2 emissions, climate scenario analysis and climate risk assessment, have been prepared in accordance with AASB S2 Climate-related Disclosures and on a basis consistent with the Group's consolidated financial statements for the year ended 30 June 2026.

The preparation of these disclosures requires the application of management judgement and estimation, consistent with the approach applied in the preparation of financial statements, particularly where forward-looking information and uncertainty are involved.

Boundary for Climate Risk Assessment and Scenario Analysis

The Climate Risk Assessment considered all entities and activities in which the Group held an economic interest during FY26, including wholly owned subsidiaries, joint arrangements and associated entities. Climate-related risks and opportunities were assessed based on the nature and extent of the Group's exposure to those operations, assets, projects and value chain activities, rather than solely on ownership percentage. This approach supports consideration of climate-related impacts that could reasonably affect the Group's prospects, irrespective of the accounting treatment of the underlying entity. Duratec Australia and Duratec New Zealand are non-trading entities and were excluded from all analysis.

Organisational Boundary – Scope 1 and 2

For greenhouse gas emissions reporting, the Group applies an equity share approach consistent with the GHG Protocol and the Group's financial reporting methodology. Under this approach, emissions are accounted for in proportion to the Group's economic interest in subsidiaries, joint arrangements and associates.

Accordingly, the organisational boundary applied for emissions reporting differs from that applied for the Climate Risk Assessment and scenario analysis. While climate-related risks and opportunities are assessed based on the Group's exposure to operations, assets and activities, greenhouse gas emissions are reported in accordance with the equity share approach.

The Group's organisational boundary for emissions reporting is outlined in Table 28.

Table 28: The Group's FY26 Emissions Boundary

WHOLLY OWNED AND JOINT OPERATIONS OF DURATEC LIMITED	LEGAL STRUCTURE AND PARTNERS	ECONOMIC INTEREST HELD (%)	TREATMENT IN DURATEC LIMITED'S FINANCIAL ACCOUNTS	TRADING
Duratec Limited	Parent Company	100	NIL	Yes
Duratec Australia (ES) Pty Ltd	Incorporated subsidiary	100	Wholly owned subsidiary	Yes
MEnD Consulting Pty Ltd	Incorporated subsidiary	100	Wholly owned subsidiary	Yes
Atec Facades Pty Ltd	Incorporated subsidiary	100	Wholly owned subsidiary	Yes
WPF Duratec Pty Ltd	Incorporated subsidiary	100	Wholly owned subsidiary	Yes
AMD Electrical Pty Ltd, t/a EIG Australia	Incorporated subsidiary	100	Wholly owned subsidiary	Yes
DDR Australia Pty Ltd	Associate company	49	Associated company	Yes
RC Construction WA Pty Ltd	Associate company	49	Associated company	Yes
Duratec Ertech JV	Non-incorporated JV	50	Joint Operation	Yes
Duratec New Zealand	Incorporated subsidiary	100	Wholly owned subsidiary	No
DXP Energy Solutions Pty Ltd	Incorporated JV	70	Joint venture	Yes
Duratec (PNG) Limited	Incorporated subsidiary	100	Wholly owned subsidiary	Yes
RGK Resources Pty Ltd	Incorporated subsidiary	100	Wholly owned subsidiary	Yes
Hunter Coatings Pty Ltd	Incorporated subsidiary	100	Wholly owned subsidiary	Yes
Davhold Australia Pty Ltd, t/a PWA	Incorporated subsidiary	100	Wholly owned subsidiary	Yes
Duratec West Coast Civil JV	Non-incorporated JV	50	Joint Operation	Yes

For the purposes of this Sustainability Report, emissions have been recognised from the below dates:

- DXP Energy Solutions, effective 23 October 2025
- RGK Resources Pty Ltd, effective 2 February 2026
- Hunter Coatings Pty Ltd, effective 27 February 2026
- Davhold Australia Pty Ltd, t/a PWA effective 22 June 2026
- AMD Electrical Pty Ltd, t/a EIG Australia, effective 31 July 2025

For greenhouse gas reporting purposes, emissions attributable to the below entities are incorporated within the Duratec Limited emissions inventory and are not separately disclosed:

- MEnD Consulting Pty Ltd
- Atec Facades Pty Ltd

Emissions from the Duratec Ertech Joint Venture relate solely to a single engagement with site mobilisation commencing in February 2026 and are reported separately within the inventory in accordance with Duratec's equity share approach. Similarly, the Duratec West Coast Civil Joint Venture commenced in June 2026 and did not have any live activities or emissions for reporting.

Duratec Australia and Duratec New Zealand are non-trading entities and did not undertake operational activities that gave rise to material Scope 1 or Scope 2 emissions during FY26. Accordingly, no separate emissions inventory has been prepared for these entities.

All other entities listed within the reporting boundary maintain separate emissions records and are reported individually within Duratec's Scope 1 and Scope 2 inventory. Where ownership relationships exist between entities, emissions are recognised only once and allocated to the reporting entity from which the underlying activity data is obtained. For example, RC Construction is reported as a separate operating entity and its emissions are not included within the emissions reported for DDR Australia Pty Ltd.

The inclusion or exclusion of entities within the emissions inventory is determined based on Duratec's equity interest, operational activity during the reporting period and the availability of emissions-generating activities within the reporting boundary.

Scope 1 and 2

Scope 1 and 2 Reporting Standards and Guidance

Duratec's Scope 1 and 2 GHG emissions have been prepared using methods and emissions factors from the following sources:

Methodology

- GHG Protocol Corporate Standard (2004) and Scope 2 Guidance (2015)

Emission Factors

- National Greenhouse and Energy Reporting (Measurement) Determination 2008 updated to Compilation No.24 (2024)
- Australian National Greenhouse Accounts Factors (2025)
- GHG Protocol Corporate Standard (2004) and Scope 2 Guidance (2015)
- The Climate Registry (2025) as Australian guidance on Acetylene emissions factors is not available

Global Warming Potentials

- IPCC Global Warming Potential Values (2024, based on the Sixth Assessment Report)

Reporting Guidance

- ISO14064-1:2018 (organisational-level GHG inventories)

Scope 1 (Direct Emissions)

- Diesel from company vehicles, machinery, and equipment
- Unleaded petrol (ULP) from company vehicles, machinery, and equipment
- Liquefied petroleum gas (LPG) used in forklifts or otherwise
- Natural gas consumption in residential properties,
- Refrigerant leakage from heating, ventilation and air-conditioning (HVAC) equipment
- Carbon dioxide used in shielding gas mixtures for welding activities
- Acetylene used in welding activities
- Petroleum-based oils used in asset servicing and maintenance

Scope 2 (Indirect Emissions)

- Electricity purchased from the grid across QLD, WA, NSW, VIC, TAS, ACT, NT, and SA
- Papua New Guinea (PNG) operations are included within the operational boundary; however, no electricity consumption occurred during the reporting period

Electricity emission factors sourced from the Australian National Greenhouse Accounts (NGA) are expressed in CO_2-equivalent and incorporate Global Warming Potentials consistent with Australian regulatory requirements; therefore, no additional GWP conversion is applied.

These classifications follow the National Greenhouse and Energy Reporting (NGER) Scheme, which defines fuel combustion, refrigerant leakage, and industrial gas usage as Scope 1 emissions, and grid electricity as Scope 2 emissions.

The Sustainability function, supported by feedback from external experts, determined that these Scope 1 and Scope 2 sources capture all material Scope 1 and Scope 2 emissions.

Data Collection and Quality Assurance

Activity data is obtained from a combination of:

- supplier invoices and direct supplier data extracts
- fuel card systems and fleet providers
- electricity retailers and energy management platforms
- internal financial systems (including ERP extracts)
- asset registers and operational records

A data source mapping framework is applied across all emissions sources to ensure completeness and traceability. This includes defined data inputs for each emissions source (e.g., fuel suppliers, electricity providers, LPG vendors), along with documentation of source format, frequency, and verification approach.

Data is compiled on a quarterly basis and subject to internal validation procedures, including reconciliation to financial records and consistency checks across reporting periods.

Use of Estimates and Assumptions

The preparation of Duratec's GHG inventory requires the use of estimates and assumptions where complete activity data is unavailable. Key assumptions applied during FY26 are outlined in each quarterly calculation workbook. However, as an overview these include:

Refrigerants

Where site-specific refrigerant inventories are unavailable, refrigerant emissions are estimated using representative HVAC asset information and extrapolated using building characteristics, including net lettable area and equipment capacity. Refrigerant emissions are calculated annually due to data availability constraints.

Oils and Lubricants

Oil and lubricant consumption is estimated using asset registers and manufacturer-recommended service intervals maintained by Duratec's Mechanical Services team. Oil and lubricant emissions are calculated annually and incorporated into the year-end inventory.

Fuel Consumption

Duratec applies transport-related emissions factors to diesel and petrol consumption across the Scope 1 inventory. This methodology reflects the predominance of fuel use within vehicles and mobile equipment and provides a consistent approach across the organisation. Where fuel activity data is unavailable, consumption may be estimated using adjacent reporting periods, expenditure records, supplier invoices or other reasonable proxy data.

Electricity Consumption

Electricity consumption is primarily derived from supplier invoices and direct supplier reporting. Where invoices are unavailable, consumption may be estimated using historical site consumption, comparable sites or supplier-generated reporting and prorated based on the relevant reporting period.

For shared tenancy arrangements, electricity consumption is allocated based on operational responsibility, lease arrangements, metering availability or other reasonable allocation methodologies. Where entities operate from shared premises, electricity consumption may be reported through the entity responsible for the underlying utility account.

State-Based Reporting

Certain Scope 1 emission sources may not be attributed to individual states where geographical consumption data is unavailable or immaterial. In these instances, emissions are included within total organisational emissions but excluded from state-level breakdowns.

International Operations

Australian National Greenhouse Accounts emissions factors may be applied to international operations to maintain consistency across the inventory.

Governance and Review

Duratec routinely reviews and updates its greenhouse gas emissions accounting methodology to maintain alignment with applicable regulatory requirements and industry guidance. This includes incorporating annual updates to emissions factors and methodologies published through sources such as the National Greenhouse and Energy Reporting (Measurement) Determination and the Australian National Greenhouse Accounts Factors.

Duratec also updates organisational and operational boundaries whenever acquisitions, divestments, restructures or other significant organisational changes occur to ensure the emissions inventory remains complete and accurately reflects the reporting boundary. There were no material changes to the methodologies, inputs, assumptions or estimation techniques used to calculate the Group's Scope 1 and Scope 2 greenhouse gas emissions during the reporting period.

Events after the reporting period

No transactions, other events or conditions have arisen since 30 June 2026 that need to be disclosed in this report.

Statement of Compliance

This report has been prepared in accordance with the requirements of the AASB S2 Climate-related Disclosures.

Directors' Declaration

In the directors' opinion, the Group has taken reasonable steps to ensure that the sustainability report is in accordance with the *Corporations Act 2001* and AASB S2 'Climate-related Disclosures'.

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

On behalf of the Directors

Chris Oates
Managing Director

Date: 25 August 2026

Perth

Auditor's Independence Declaration

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

www.rsm.com.au

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

As lead auditor for the audit of the financial report and review of the sustainability report of Duratec Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report and review of the sustainability report; and

(ii) any applicable code of professional conduct in relation to the audit of the financial report and review of the sustainability report.

RSM

RSM AUSTRALIA

TUTU PHONG
Partner

Perth, WA
Dated: 25 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	Consolidated Entity 2026 $'000	Consolidated Entity 2025 $'000
CONTINUING OPERATIONS			
Revenue from contracts with customers	4	570,281	573,028
Contracting cost of sales	5	(453,402)	(466,722)
		116,879	**106,306**
Other income	4	6,613	5,899
Employee benefits expense	5	(57,340)	(51,625)
Administration expense		(11,762)	(10,216)
Occupancy expense		(3,506)	(3,712)
Depreciation and amortisation expense	5	(17,563)	(16,204)
Finance costs	5	(4,621)	(3,122)
Equity accounted investment results	6	289	2,146
Profit before income tax expense from continuing operations		**28,989**	**29,472**
Income tax expense	7	(5,228)	(6,645)
Profit after income tax expense for the year		**23,761**	**22,827**
Total comprehensive income for the year, net of tax		**23,761**	**22,827**
PROFIT FOR THE YEAR IS ATTRIBUTABLE TO:			
Owners of Duratec Limited		23,761	22,827

EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF DURATEC LIMITED:		cents	cents
Basic earnings per share (cents)	8	9.25	9.10
Diluted earnings per share (cents)	8	8.86	8.67
EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE OWNERS OF DURATEC LIMITED:			
Basic earnings per share (cents)	8	9.25	9.10
Diluted earnings per share (cents)	8	8.86	8.67

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

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	Consolidated Entity 2026 $'000	Consolidated Entity 2025 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	78,764	84,026
Trade and other receivables	10	58,119	61,077
Contract assets	4	53,233	24,819
Inventories	11	1,673	1,639
Other current assets	12	2,453	2,297
Total Current Assets		**194,242**	**173,858**
NON-CURRENT ASSETS			
Trade and other receivables	10	282	335
Property, plant and equipment	14	40,138	37,199
Right-of-use assets	15	16,877	13,424
Investments accounted for using the equity method	16	8,486	7,878
Other non-current assets	12	283	374
Intangible assets	17	32,729	13,093
Deferred tax assets	13	9,109	5,213
Total Non-Current Assets		**107,904**	**77,516**
Total Assets		**302,146**	**251,374**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	94,140	80,905
Contingent consideration payable	30	537	–
Borrowings	19	27,346	21,916
Property lease liabilities	15	3,292	2,531
Contract liabilities	4	20,100	24,645
Current tax payable	13	2,007	1,091
Provisions	20	13,651	12,366
Total Current Liabilities		**161,073**	**143,454**
NON-CURRENT LIABILITIES			
Trade and other payables	18	4,197	3,827
Contingent consideration payable	30	9,484	–
Borrowings	19	11,697	13,472
Property lease liabilities	15	15,021	11,472
Deferred tax liabilities	13	3,369	2,325
Provisions	20	3,476	2,499
Total Non-Current Liabilities		**47,244**	**33,595**
Total Liabilities		**208,317**	**177,049**
Net Assets		**93,829**	**74,325**
EQUITY			
Issued capital	21	35,496	31,726
Reserves	22	6,042	3,122
Retained earnings	23	52,291	39,477
Total Equity		**93,829**	**74,325**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

CONSOLIDATED ENTITY	Note	Issued Capital $'000	Retained Earnings $'000	Reserves $'000	Total Equity $'000
Balance at 1 July 2024		29,858	27,270	1,993	59,121
COMPREHENSIVE INCOME					
Profit for the year		–	22,827	–	22,827
Total comprehensive income for the year		–	22,827	–	22,827
TRANSACTIONS WITH OWNERS					
Share-based payments	31	–	–	1,779	1,779
Transfer from share-based payment reserve		650	–	(650)	–
Dividend Reinvestment Plan		1,218	–	–	1,218
Dividends paid	24	–	(10,620)	–	(10,620)
Balance at 30 June 2025		**31,726**	**39,477**	**3,122**	**74,325**
Balance at 1 July 2025		31,726	39,477	3,122	74,325
COMPREHENSIVE INCOME					
Profit for the year		–	23,761	–	23,761
Total comprehensive income for the year		–	23,761	–	23,761
TRANSACTIONS WITH OWNERS					
Contributions of equity net of transaction costs	21	659	–	–	659
Share-based payments	31	–	–	2,493	2,493
Transfer from share-based payments reserve	22	1,601	–	(1,601)	–
Dividend Reinvestment Plan	24	1,510	–	–	1,510
Dividends paid	24	–	(10,947)	–	(10,947)
Deferred tax on share-based payments expense	13	–	–	2,028	2,028
Balance at 30 June 2026		**35,496**	**52,291**	**6,042**	**93,829**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	Consolidated Entity	
		2026 $'000	**2025 $'000**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		605,201	623,596
Payments to suppliers and employees		(567,927)	(578,923)
Income tax paid		(7,955)	(7,161)
Interest and finance costs paid		(4,621)	(3,122)
Interest received		1,680	1,669
Net cashflows from operating activities	35	**26,378**	**36,059**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		1,459	1,315
Purchase of property, plant and equipment	14	(12,065)	(14,047)
Payment for business combinations, net of cash acquired	30	(14,429)	(3,350)
Payments for investment in joint venture		(319)	–
Dividends received	4	3,158	1,715
Net cashflows used in investing activities		**(22,196)**	**(14,367)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	24	(9,437)	(9,402)
Proceeds from borrowings		36,477	30,168
Repayment of borrowings		(33,464)	(20,275)
Repayment of lease liabilities		(3,020)	(3,375)
Net cashflows used in financing activities		**(9,444)**	**(2,884)**
Net increase/(decrease) in cash and cash equivalents		(5,262)	18,808
Cash and cash equivalents at beginning of period		84,026	65,218
Cash and cash equivalents at the end of the financial year	9	**78,764**	**84,026**

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

Notes to the Financial Statements

Note 1: Material accounting policy information

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Basis of preparation

Duratec Limited is a for-profit company limited by shares, incorporated and domiciled in Australia. The Company's registered address is 108 Motivation Drive, Wangara, WA 6065. The consolidated financial statements of the Company as at and for the financial year ended 30 June 2026 comprises the Company and its subsidiaries (together referred to as the "Group" or the "consolidated entity"). The Group provides assessment, protection, remediation and refurbishment services to a broad range of assets, in particular steel and concrete infrastructure.

The consolidated financial report is presented in Australian dollars, which is Duratec Limited's functional and presentation currency. All values are rounded to the nearest thousand, except when otherwise indicated, under the option available to the Company under ASIC Corporations (Rounding in Financial/ Director's Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

These general-purpose financial statements for the year ended 30 June 2026 have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001.

Historical cost convention

The financial report has been prepared on a historical cost basis, except for derivative financial instruments, debt and equity financial assets, and contingent consideration that have been measured at fair value.

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

A. New or amended accounting standards and interpretations adopted by the group

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

B. Revenue recognition

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.

i. 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 input method based on costs incurred to date relative to forecasts to cost to complete.

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.

When it is 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. Key assumptions regarding costs to complete contracts include estimation of labour, technical costs, impact of delays and productivity.

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

ii. 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 transfer to 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 enhances assets which the customer controls. For these contracts, the transaction price is determined as an estimate of this variable consideration.

iii. 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.

iv. 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 or the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

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

v. Interest

Interest Revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets.

C. Government rebates

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

D. Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted at statement of financial position date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited direct to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred 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 tax asset to be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

Duratec Limited and its wholly-owned Australian subsidiaries have formed an income-tax consolidated group under the tax consolidation regime. Duratec Limited and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

E. Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

F. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

G. Trade and other receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies in "Financial Assets" on page 98.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses ('ECL'). The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

H. Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring 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 that is conditional.

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 owing) from the customer. If a customer is invoiced before the Group transfers goods or services to the customer, a contract liability is recognised when the invoice is raised. Contract liabilities are recognised as revenue when the Group performs under the contract.

Note 1: Material accounting policy information continued

I. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for at purchase cost on a first-in/ first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

J. Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

i. Subsequent measurement - Financial assets at amortised cost

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

Financial assets at amortised cost are subsequently measured using the effective interest (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.

ii. Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

K. Property, plant and equipment

Plant & equipment are measured on the cost basis less, where applicable, any accumulated depreciation and impairment losses. Assets previously measured at valuation are now carried at deemed cost less, where applicable, any accumulated depreciation.

i. Depreciation

The depreciable amount of all plant and equipment including capitalised lease assets, is depreciated over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

CLASS OF PLANT AND EQUIPMENT	Depreciation Rate
Capital Work in Progress	0%
Plant & Machinery	4 – 50%
Leasehold Improvements	10 – 50%
Land & Buildings	0 – 8%
Motor Vehicles	16 – 50%
Computers & Office Equipment	20 – 100%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

ii. Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

iii. Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the year the asset is derecognised.

L. Right-of-use assets

The Group leases buildings for its offices under agreements of between 1 and 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

M. Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

N. Borrowings – lease liabilities

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss. A leased fixed asset is depreciated over the useful life of the asset.

Borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

O. Provisions - employee benefits

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i. Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

ii. Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii. Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred. The Company has no legal obligation to provide benefits to employees on retirement.

P. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash Flows are stated with the amount of GST included.

Q. Comparatives

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

Note 1: Material accounting policy information continued

R. Investment in associates and joint arrangements

An associate is an entity, including an unincorporated entity, in which the reporting entity has significant influence and that is neither a subsidiary, nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the impairment financial reporting standard by comparing the carrying amount of the investment with its recoverable amount (higher of value in use and fair value) whenever application of the financial instruments reporting standard indicates the investment may be impaired.

In the consolidated financial statements, the Group's investment in associates is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associates' net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss includes its share of the associate's profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. Losses of an associate in excess of the Group's interest in the associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the Group and the associate are recognised in the financial statements only to the extent of unrelated reporting entity's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When necessary, accounting policies of associates are changed to ensure consistency with the policies adopted by the Group. The Group discontinues the use of the equity method from the date the investment ceases to be an associate and from that date then accounts for the investment in accordance with the financial instruments financial reporting standard with any gain or loss recognised in the profit or loss statement. Any former investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate 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. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

A joint arrangement (that is either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement) is one in which the Group is party to an arrangement of which two or more parties have control. A joint arrangement exists when the parties have contractually agreed to share control of the arrangement whereby decisions about the relevant activities (that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint operation, the parties with joint control have rights to the assets, and obligations of the liabilities, relating to the arrangement. The Group recognises its share of the operation's assets, liabilities and income and expenses that are combined line by line with similar items in the reporting entity's financial statements and accounts for the assets, liabilities, revenues and expenses relating to its interest in the joint operation in accordance with the relevant financial reporting standards for each particular asset, liability, revenue and expense. When the Group enters into a transaction with a joint operation, such as a sale or contribution of asset, the reporting entity recognises gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation.

S. Share-based payments

Equity-settled share-based compensation benefits are provided to employees. These transactions are awards of shares, or options, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using a valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the service that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in the profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

T. Parent entity financial information

The financial information for the parent entity, Duratec Limited, disclosed in "Note 32: Parent Entity Information" on page 129 has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries and associates are accounted for at cost in the financial statements of Duratec Limited. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from carrying value of these investments.

U. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2026 – refer to "Note 33" on page 130. 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of 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.

Profit or loss and each component of OCI 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 deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss.

Any investment retained is recognised at fair value.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

V. Current and non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Note 1: Material accounting policy information continued

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

W. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

X. Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Y. Dividends

Dividends are recognised when declared during the financial year and are no longer at the discretion of the Company.

Z. Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interests in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating of accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquiree.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

AA. Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 to 10 years.

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

AB. Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Duratec Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

AC. Foreign currency translation

The financial statements are presented in Australian dollars, which is Duratec Limited's functional and presentation currency.

i. Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 2: Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

A. Key estimates

i. Revenue from contracts with customers

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 input method based on project to date cost over total expected contract cost of the contract.

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.

When it is 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. Key assumptions regarding costs to complete contracts include estimation of labour, technical costs, impact of delays and productivity.

ii. Impairment testing

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 17 for further information.

iii. Recovery of deferred tax assets

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

iv. Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

v. Share-based payment transactions

The consolidated entity measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. Fair value is determined using appropriate valuation techniques, including the Hoadley's Hybrid Employee Share Option (ESO) Model incorporating Monte Carlo simulation methodologies where relevant, taking into account the terms and conditions on which the instruments were granted. While these estimates and assumptions do not affect the carrying amounts of assets and liabilities, they may impact the share-based payment expense recognised in profit or loss and the corresponding balance recognised in equity. Refer to Note 31 for further information.

Note 3: Segment reporting

The Group is organised into four major operating segments based on difference in services provided; Defence, Mining & Industrial, Building & Facade and Energy. Other segments relate to Ports, Transport, Marine and Water. These operating segments are based on the internal reports that are reviewed and used by the Managing Director (who is identified as the Chief Operating Decision Maker, 'CODM') in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. Balance sheet data is not currently tracked or provided to the CODM at operating segment level therefore the breakdown is not disclosed.

The Group derives substantially all of its revenue from Australia. No single external customer accounted for 10% or more of Group revenue during the year.

The principal services of each of the operating segments are as follows:

- **Defence** – dedicated to the delivery of capital facilities, infrastructure and estate works program projects
- **Mining & Industrial** – provision of tailored preventative maintenance programs
- **Building & Facade** – completion of facade condition assessments and facade restorations
- **Energy** – non-defence capital facilities, remediation and refurbishment of critical assets

CONSOLIDATED – JUNE 2026	Defence $'000	Mining & Industrial $'000	Building & Facade $'000	Energy $'000	Other Segments $'000	Total $'000
Sales to external customers	157,754	114,337	138,836	91,563	67,791	570,281
Total revenue	**157,754**	**114,337**	**138,836**	**91,563**	**67,791**	**570,281**
Gross profit for reportable segments	27,447	26,324	27,587	23,155	12,366	116,879
EBITDA	**13,215**	**9,308**	**13,053**	**13,455**	**2,142**	**51,173**
Depreciation and amortisation						(17,563)
Finance costs						(4,621)
Profit before income tax expense						**28,989**
Income tax expense						(5,228)
Profit after income tax expense						**23,761**

CONSOLIDATED – JUNE 2025	Defence $'000	Mining & Industrial $'000	Building & Facade $'000	Energy $'000	Other Segments $'000	Total $'000
Sales to external customers	181,361	136,646	111,867	82,511	60,643	573,028
Total revenue	**181,361**	**136,646**	**111,867**	**82,511**	**60,643**	**573,028**
Gross profit for reportable segments	23,585	27,799	20,588	23,869	10,465	106,306
EBITDA	**12,568**	**13,180**	**8,476**	**12,070**	**2,504**	**48,798**
Depreciation and amortisation						(16,204)
Finance costs						(3,122)
Profit before income tax expense						**29,472**
Income tax expense						(6,645)
Profit after income tax expense						**22,827**

Note 4: Revenue

A. Disaggregation of Revenue from Contracts with Customers

The Group derives revenue from the transfer of goods and services over time in the following major geographical regions.

	2026 $'000	2025 $'000
Revenues from contracts with customers	570,281	573,028
DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS BY LOCATION		
Western Australia	224,106	222,292
New South Wales	106,765	86,805
Victoria	58,841	30,209
Northern Territory	51,771	105,260
South Australia	18,125	32,244
Queensland	46,045	46,825
Tasmania	5,202	6,862
Australian Capital Territory	49,912	42,531
Papua New Guinea	9,514	–
	570,281	**573,028**

B. Other Income

	2026 $'000	2025 $'000
Dividends received from associate	3,158	1,715
Rental income	373	343
Interest received	1,680	1,669
Sundry income	962	1,889
Gain on bargain purchase	–	216
Gain on disposal of plant and equipment	440	67
	6,613	**5,899**

C. Assets & Liabilities Related to Contracts with Customers

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

	2026 $'000	2025 $'000
Total current contract assets	53,233	24,819
Total current contract liabilities	20,100	24,645

As of 30 June 2026, approximately $557m of revenue is expected to be recognised from remaining performance obligations (2025: $316m). We expect to recognise 75% of these remaining performance obligations as revenue over the next 12 months, with the balance recognised thereafter (2025: 84%).

D. Significant Changes in Contract Assets & Liabilities

Changes in contract assets and liabilities are due to the stage of the projects in progress and the timing of invoicing.

Contract assets are transferred to trade receivables when the Group's rights to consideration for work performed have become unconditional. This usually occurs when the Group issues an invoice in accordance with the contractual terms to the customer.

If the net amount of the Group's rights to consideration for work performed after deduction of progress payments received is negative, the difference is recognised as a liability and included as part of Contract liabilities.

Of the contract liabilities balance of $24,645,000 at 30 June 2025, substantially all of this revenue has been recognised in the current year, while substantially all of the contract assets balance of $24,819,000 as at 30 June 2025 was invoiced in the current year.

Note 5: Expenses

Profit before income tax from continuing operations includes the following specific expenses:

	2026 $'000	2025 $'000
EXPENSES		
Cost of sales	453,402	466,722
INTEREST EXPENSE FOR FINANCIAL LIABILITIES NOT AT FAIR VALUE THROUGH PROFIT OR LOSS		
External – Interest on loans and borrowings	2,913	2,167
Interest on lease liabilities	1,708	955
Total finance costs	**4,621**	**3,122**
EMPLOYEE EXPENSES		
Salaries & wages	54,128	49,183
Share-based payments	2,274	1,628
Other	938	814
Total employee benefits expense	**57,340**	**51,625**
The above Cost of sales and Employee expenses include superannuation contribution expenses of $17,297,000 (2025: $15,489,000)		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation for property, plant and equipment	11,826	11,407
Depreciation for right of use assets	3,854	3,610
Amortisation	1,883	1,187
Total depreciation and amortisation expense	**17,563**	**16,204**

Note 6: Equity accounted investment results

	2026 $'000	2025 $'000
Equity accounted investment results – associate – DDR Australia Pty Ltd	303	2,146
Equity accounted investment results – other	(14)	–
	289	**2,146**

The summarised financial information of DDR Australia Pty Ltd is as follows:

	2026 $'000	2025 $'000
Total assets	50,409	61,393
Total liabilities	31,272	45,316
Profit after income tax	7,061	7,879
Group's share of profit after income tax	3,460	3,861

Note 7: Income tax expense

	2026 $'000	2025 $'000
CURRENT INCOME TAX		
Current tax expense	8,900	9,165
Adjustments in respect of previous years	172	(253)
Tax offsets	(1,353)	(735)
DEFERRED INCOME TAX		
Reversing temporary differences	(2,496)	(1,532)
Adjustments in respect of previous years	5	–
Aggregate income tax expense	**5,228**	**6,645**

NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE

	2026 $'000	2025 $'000
Profit from continuing operations before income tax expense	28,989	29,472
Tax at the Australian tax rate of 30% (2025: 30%)	8,697	8,842
TAX EFFECT OF AMOUNTS WHICH ARE NOT DEDUCTIBLE (TAXABLE) IN CALCULATING TAXABLE INCOME:		
Adjustments recognised for prior periods	183	(253)
Other non-allowable items	(1,646)	(785)
Notional profits on associates not subject to tax	(87)	(644)
Franking credits for dividends	(1,353)	(515)
Share-based payments	(566)	–
Income tax expense	**5,228**	**6,645**

Note 8: Earnings per share

A. Basic and Diluted Earnings Per Share

	2026 cents	2025 cents
From continuing operations attributable to the ordinary equity holders of the company	9.25	9.10
Total basic earnings per share attributable to the ordinary equity holders of the company	9.25	9.10
Total diluted earnings per share attributable to the ordinary equity holders of the company	8.86	8.67

B. Reconciliations of Earnings Used in Calculating Earnings Per Share

	2026 $'000	2025 $'000
Profit from continuing operations attributable to the ordinary equity holders of the company used in calculating basic earnings per share	23,761	22,827
Profit from continuing operations attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	23,761	22,827

C. Weighted Average Number of Shares Used as the Denominator

	2026 Number	2025 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	256,950,657	250,824,981
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	268,039,633	263,222,532

Note 9: Cash and cash equivalents

	2026 $'000	2025 $'000
Cash at bank and on hand	72,244	77,526
Short-term deposits	6,520	6,500
Total cash and cash equivalents	**78,764**	**84,026**

Note 10: Trade and other receivables

	2026 $'000	2025 $'000
CURRENT		
Trade receivables	57,466	60,982
Less: allowance for expected credit losses	(36)	(24)
	57,430	**60,958**
Other receivables	689	119
Total current trade and other receivables	**58,119**	**61,077**
NON-CURRENT		
Trade receivables	282	335
Total non-current trade and other receivables	**282**	**335**

Allowance for expected credit losses

These trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. At 30 June 2026 there are no trade receivable balances past due but impaired (2025: Nil). A loss allowance balance of $36,000 (2025: $24,000) is recognised in respect of the expected credit losses for the year ended 30 June 2026. Movements in the allowance for expected credit losses are as follows:

	2026 $'000	2025 $'000
Opening balance	24	289
Additional provisions recognised	35	24
Receivables written off during the year as uncollectable	–	(289)
Unused amounts reversed	(23)	–
Closing balance	**36**	**24**

Note 11: Inventories

	2026 $'000	2025 $'000
CURRENT		
Consumable stock	1,673	1,639
Total inventories	**1,673**	**1,639**

Note 12: Other assets

	2026 $'000	2025 $'000
CURRENT		
Prepayments	2,453	2,297
	2,453	**2,297**
NON-CURRENT		
Security deposits	283	374
	283	**374**

Note 13: Current and deferred taxes

	2026 $'000	2025 $'000
CURRENT		
Provision for income tax	2,007	1,091
Total current payable	2,007	1,091
NON-CURRENT		
Deferred tax assets	9,109	5,213
Deferred tax liabilities	(3,369)	(2,325)
Net	**5,740**	**2,888**
DEFERRED TAX ASSET		
NON-CURRENT		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provisions and accruals	5,323	4,892
Share-based payments	3,302	–
Right-of-use assets	431	174
Provision for expected credit loss	32	7
Borrowing costs	17	23
Work in progress	–	117
Other	4	–
Deferred tax asset	**9,109**	**5,213**
MOVEMENTS		
Opening balance	5,213	4,769
Additions through business combinations (note 30)	–	–
Prior year over/under-provision	(9)	(89)
Charged to equity	2,028	–
Charged to profit or loss	1,877	533
Closing balance	**9,109**	**5,213**
DEFERRED TAX LIABILITY		
NON-CURRENT		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Consumable stock	502	492
Plant & equipment	1,118	1,605
Customer relationships	1,653	–
Insurance recoupments	74	167
Prepayments	55	61
Other	(33)	–
Deferred tax liability	**3,369**	**2,325**
MOVEMENTS:		
Opening balance	2,325	3,257
Prior year over/under-provision	–	67
Additions through business combinations (note 30)	1,663	–
Charged to profit or loss	(619)	(999)
Closing balance	**3,369**	**2,325**

Note 14: Property, plant and equipment

	2026 $'000	2025 $'000
LAND AND BUILDINGS		
At cost	6,360	2,914
Accumulated depreciation	(157)	(84)
	6,203	**2,830**
PLANT AND MACHINERY		
At cost	38,336	33,910
Accumulated depreciation	(19,376)	(15,354)
	18,960	**18,556**
MOTOR VEHICLES		
At cost	24,583	23,255
Accumulated depreciation	(15,226)	(12,724)
	9,357	**10,531**
OFFICE AND COMPUTER EQUIPMENT		
At cost	9,269	8,069
Accumulated depreciation	(6,204)	(5,174)
	3,065	**2,895**
LEASEHOLD IMPROVEMENTS		
At cost	5,144	4,523
Accumulated depreciation	(2,977)	(2,515)
	2,167	**2,008**
CAPITAL WORK IN PROGRESS		
At cost	386	379
Total plant and equipment	**40,138**	**37,199**

Reconciliation of written down values at the beginning and end of the current financial year are set out below:

CONSOLIDATED	Land and Buildings $'000	Plant and Machinery $'000	Motor Vehicles $'000	Office and Computer Equipment $'000	Leasehold Improvements $'000	Capital WIP $'000	Total $'000
Balance at 1 July 2024	2,857	14,913	11,592	2,389	1,047	648	33,446
Additions	–	7,814	3,024	1,926	1,552	(269)	14,047
Acquired through business combinations	–	1,792	931	75	–	–	2,798
Disposals	–	(913)	(770)	(2)	–	–	(1,685)
Depreciation expense	(27)	(5,050)	(4,246)	(1,493)	(591)	–	(11,407)
Balance at 30 June 2025	**2,830**	**18,556**	**10,531**	**2,895**	**2,008**	**379**	**37,199**
Additions	3,446	3,549	2,652	1,579	832	7	12,065
Acquired through business combinations (note 30)	–	2,629	923	99	55	–	3,706
Disposals	–	(514)	(472)	(20)	–	–	(1,006)
Depreciation expense	(73)	(5,260)	(4,277)	(1,488)	(728)	–	(11,826)
Balance at 30 June 2026	**6,203**	**18,960**	**9,357**	**3,065**	**2,167**	**386**	**40,138**

Note 15: Leases

Amounts recognised in the statement of financial position

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

	2026 $'000	2025 $'000
LAND AND BUILDINGS		
Right-of-use	22,871	16,865
Accumulated depreciation	(5,994)	(3,441)
	16,877	**13,424**
PROPERTY LEASE LIABILITIES		
Current	3,292	2,531
Non-current	15,021	11,472
Total property lease liabilities	**18,313**	**14,003**

Refer to "Note 25: Financial Instruments" on page 118 for further information on financial instruments.

Reconciliation of written down values at the beginning and end of the current financial year are set out below:

	Cost $'000	Accumulated Depreciation $'000	Carrying Value $'000
Balance at 1 July 2024	11,485	(5,762)	5,723
Additions during the year	12,200	–	12,200
Acquired in business combination	–	–	–
Leases expired during the year	(6,820)	5,931	(889)
Depreciation expense	–	(3,610)	(3,610)
Balance at 30 June 2025	**16,865**	**(3,441)**	**13,424**
Additions during the year	5,432	–	5,432
Acquired in business combination	1,660	(255)	1,405
Leases expired during the year	1,086	1,556	470
Depreciation expense	–	(3,854)	(3,854)
Balance at 30 June 2026	**22,871**	**(5,994)**	**16,877**

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases.

	2026 $'000	2025 $'000
DEPRECIATION CHARGE OF RIGHT-OF-USE ASSETS		
Buildings	3,854	3,610
	3,854	**3,610**
Interest expense (included in finance cost)	1,708	955
Expense relating to short-term leases	950	1,217
Expense relating to leases of low value assets not shown as short-term leases	60	83

The total cash outflow for leases for 2026 was $3,020,000 (2025: $3,375,000).

Note 16: Investments accounted for using the equity method

	2026 $'000	2025 $'000
NON-CURRENT		
DDR Australia Pty Ltd	8,181	7,878
DXP Energy Solutions Pty Ltd	305	–
	8,486	**7,878**

Refer to "Note 33" on page 130 for further information on interests in associates and joint arrangements.

Note 17: Intangible Assets

	2026 $'000	2025 $'000
Customer relationships – at cost	17,776	11,471
Less: Accumulated amortisation	(4,925)	(3,042)
Carrying amount at year end	**12,851**	**8,429**
Goodwill	19,878	4,664
Less: impairment	–	–
Carrying amount at year end	**19,878**	**4,664**
Total	**32,729**	**13,093**

	Customer Relationships $'000	Goodwill $'000	Total $'000
Carrying amount at 1 July 2024	9,416	4,452	13,868
Recognised on acquisition of a subsidiary	200	212	412
Amortisation	(1,187)	–	(1,187)
Carrying amount at 30 June 2025	**8,429**	**4,664**	**13,093**
Recognised on acquisition of a business (note 30)	6,305	15,214	21,519
Amortisation	(1,883)	–	(1,883)
Carrying amount at 30 June 2026	**12,851**	**19,878**	**32,729**

Goodwill acquired through business combinations has been allocated to the following cash-generating units:

	2026 $'000	2025 $'000
WPF Duratec	4,664	4,664
EIG Australia	5,509	–
Pacific Welding Australia (PWA)	7,021	–
RGK Resources	1,028	–
Hunter Coatings	1,656	–
	19,878	**4,664**

The recoverable amount of each cash-generating unit (CGU) was determined using a value-in-use calculation based on Board-approved cash flow forecasts covering five years, together with a terminal value. The FY2027 cash flows are based on approved budgets, with revenue, operating costs and overheads projected to increase by 3.8% per annum from FY2028 to FY2031. Cash flows beyond the five-year forecast period were extrapolated using a terminal growth rate of 1.3% per annum.

Pre-tax discount rates ranging from 9.12% to 11.35% were applied to the cash flow projections. The discount rates reflect current market assessments of the time value of money and risks specific to each CGU. Forecast assumptions were determined with reference to approved budgets, historical performance, current operating conditions and external market information.

The recoverable amount of each CGU exceeded its carrying amount at 30 June 2026 and no impairment loss was recognised.

Management assessed reasonably possible changes in the revenue growth and pre-tax discount rate assumptions, with all other assumptions held constant. The changes required to eliminate the headroom in each CGU were outside the range of reasonably possible outcomes and, accordingly, management determined that no reasonably possible change in a key assumption would cause the carrying amount of any CGU to exceed its recoverable amount.

Note 18: Trade and other payables

	2026 $'000	2025 $'000
CURRENT		
Trade payables	27,132	44,650
Sundry payables and accrued expenses	54,486	26,913
Other payables	5,141	3,218
Employee entitlements	7,381	6,124
Total current trade and other payables	**94,140**	**80,905**
NON-CURRENT		
Trade payables	4,197	3,827
Total non-current trade and other payables	**4,197**	**3,827**

Note 19: Borrowings

	2026 $'000	2025 $'000
CURRENT		
Equipment finance	6,236	6,680
Cash advance	21,000	15,000
Other	110	236
Total current borrowings	**27,346**	**21,916**
NON-CURRENT		
Equipment finance	11,697	13,472
Total non-current borrowings	**11,697**	**13,472**

Refer to "Note 25: Financial Instruments" on page 118 for further information on financial instruments.

Note 20: Provisions

	2026 $'000	2025 $'000
CURRENT		
Employee benefits		
Carrying amount at the start of the year	12,366	11,255
Additional provisions recognised	8,957	9,100
Amounts used	(7,672)	(7,989)
Current carrying amount at the end of the year	**13,651**	**12,366**
NON-CURRENT		
Employee benefits		
Carrying amount at the start of the year	2,499	1,804
Additional provisions recognised	977	695
Amounts used	–	–
Non-current carrying amount at the end of the year	**3,476**	**2,499**

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 21: Issued capital

	2026 Shares	2025 Shares	2026 $'000	2025 $'000
Ordinary shares – fully paid	258,160,262	252,390,429	35,496	31,726

Movement in ordinary share capital:

DETAILS	DATE	Shares	Cumulative Shares	Issue price ($)	$'000
Balance	1 Jul 2024		248,372,718		29,858
Dividend Reinvestment Plan	9 Oct 2024	498,895	248,871,613	1.33	665
Vested Performance Rights	22 Oct 2024	3,170,000	252,041,613	0.21	650
Dividend Reinvestment Plan	30 Apr 2025	348,816	252,390,429	1.59	553
Balance	**30 Jun 2025**		**252,390,429**		**31,726**
Issue of shares	31 Jul 2025	451,703	252,842,132	1.46	659
Vested Performance Rights	1 Sep 2025	4,600,000	257,442,132	0.35	1,601
Dividend Reinvestment Plan	15 Oct 2025	407,603	257,849,735	1.94	793
Dividend Reinvestment Plan	29 Apr 2026	310,527	258,160,262	2.31	717
Balance	**30 Jun 2026**		**258,160,262**		**35,496**

A. Ordinary shares

Ordinary shareholders participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 22: Reserves

	2026 $'000	2025 $'000
ACQUISITION RESERVE		
Balance at the beginning of the financial period	(231)	(231)
Balance at end of the financial period	**(231)**	**(231)**
SHARE-BASED PAYMENT RESERVE		
Balance at the beginning of the financial period	3,353	2,224
Share-based payments	2,493	1,779
Deferred tax on share-based payments expense	2,028	–
Transfer to issued capital	(1,601)	(650)
Balance at end of the financial period	**6,273**	**3,353**
Total Reserves	**6,042**	**3,122**

The acquisition reserve is used to recognise the acquisition of non-controlling interests.

Note 23: Retained earnings

	2026 $'000	2025 $'000
Retained profits at beginning of the financial year	39,477	27,270
Profit after income tax expense for the year	23,761	22,827
Dividends paid	(10,947)	(10,620)
Retained profits at end of the financial year	**52,291**	**39,477**

Note 24: Dividends

Dividends

Dividends paid during the financial year were as follows:

	2026 $'000	2025 $'000
Other dividends (cash)	9,437	9,402
Dividend Reinvestment Plan	1,510	1,218
Declared fully franked ordinary dividends franked at 30% (2025: 30%)	**10,947**	**10,620**

Since the end of the financial year, the Directors have recommended the payment of a final ordinary dividend for 2026 of 2.5 cents per fully paid share, franked to 100%, to be paid on 14 October 2026.

Franking credits

	2026 $'000	2025 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date.	22,931	15,749
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.	(2,766)	(2,709)
	20,165	**13,040**

Note 25: Financial instruments

The Group's overall risk management program focuses on identifying risks and seeking to minimise any potential adverse effects on the financial performance of the Group. The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year. The Board of Directors is responsible for risk management and the approval of relevant policies, such as identification and analysis of risk exposure of the Group, and appropriate procedures, controls and risk limits.

A. Market Risk

Market risk is the risk that changes in market prices will affect the Group's income.

B. Interest Rate Risk

The consolidated entity's main interest rate risk arises from long-term borrowings.

C. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. To mitigate the risk, the Group has a strict credit policy, including setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery.

Cash and cash equivalents (as disclosed in Note 9) are also subject to the impairment requirements of the standard on financial instruments. There are no material amounts of collateral held as security at 30 June 2026.

D. Liquidity Risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The amounts are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest	Carrying amount $'000	Contractual cashflow $'000	1 year or less $'000	1-2 years $'000	2-5 years $'000	Over 5 years $'000
2026							
NON-DERIVATE FINANCIAL LIABILITIES							
Trade and other payables		98,337	98,337	94,140	4,197	–	–
Borrowings	5.96%	39,043	41,067	28,332	5,963	6,772	–
Property lease liabilities	9.90%	18,313	19,722	3,315	2,831	6,055	7,521
		155,693	**159,126**	**125,787**	**12,991**	**12,827**	**7,521**
2025							
NON-DERIVATE FINANCIAL LIABILITIES							
Trade and other payables		84,732	84,732	80,905	3,827	–	–
Borrowings	6.05%	35,388	37,839	23,048	6,145	8,646	–
Property lease liabilities	10.29%	14,003	14,758	3,368	2,099	3,929	5,362
		134,123	**137,329**	**107,321**	**12,071**	**12,575**	**5,362**

E. Capital Management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's capital risk management policy remains unchanged from 30 June 2025.

The Group has a facilities agreement with Commonwealth Bank of Australia (CBA). As part of this agreement, the Group is subject to terms and conditions which include financial covenants relating to; earnings and debt (leverage ratio) and current assets to current liabilities (current ratio). All covenants were complied with during the reporting period.

In relation to the Group's main funding agreement, Duratec Limited, Duratec Australia (ES) Pty Ltd, MEnD Consulting Pty Ltd and WPF Duratec Pty Ltd each provide a guarantee and indemnity and a General Security Deed in favour of CBA.

The Group also has an asset finance facility with NAB and security interests are granted in favour of NAB and CBA in respect of goods acquired using each respective Asset Finance Facility.

The Group issues surety bonds during the course of business via its facilities with Credeq Australia (formerly AssetInsure), Vero and Berkshire Hathaway Specialty Insurance Company.

	EXPIRY DATE	2026 $'000	2025 $'000
TOTAL FACILITIES			
CBA			
Multi option facility[1]	31 August 2026	200,000	145,000
Procurement management facilities	No fixed term, payable on demand	45	40
Corporate credit card facility	No fixed term, payable on demand	475	500
Market rate loan facility		–	5,600
Asset finance sub-facility	No fixed term, revolving facility	34,000	34,000
NAB			
Asset finance facility	31 January 2027	9,000	9,000
Credeq Australia			
Bond facility	28 February 2027	50,000	50,000
Vero			
Bond facility	15 October 2026	20,000	20,000
Berkshire Hathaway			
Bond facility	2 November 2028	30,000	30,000
		343,520	**294,140**

Note 25: Financial instruments continued

	EXPIRY DATE	2026 $'000	2025 $'000
USED AT REPORTING DATE:			
CBA			
Multi option facility[1]		47,606	44,522
Procurement management facilities		–	–
Corporate credit card facility		209	155
Market rate loan facility		–	–
Asset finance facility		15,863	16,559
NAB			
Asset finance facility		4,126	6,036
Credeq Australia			
Bond facility		43,882	20,135
Vero			
Bond facility		8,834	9,323
Berkshire Hathaway			
Bond facility		1,700	6,912
		122,220	**103,642**
UNUSED AT REPORTING DATE:			
CBA			
Multi option facility[1]		152,394	100,478
Procurement management facilities		45	40
Corporate credit card facility		266	345
Market rate loan facility		–	5,600
Asset finance facility		18,137	17,441
NAB			
Asset finance facility		4,874	2,964
Credeq Australia			
Bond facility		6,118	29,865
Vero			
Bond facility		11,166	10,677
Berkshire Hathaway			
Bond facility		28,300	23,088
		221,300	**190,498**

1. The multi option facility comprises of a bank guarantee sub-facility, cash advance sub-facility, and an overdraft sub-facility.

F. Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	2026 $'000	2025 $'000
ASSETS		
Papua New Guinea Kina (PGK)	5,224	–
	5,224	**–**

The Group had net assets denominated in foreign currencies of $5,224,000 as at 30 June 2026 (2025: $NIL). Based on this exposure, had the Australian dollar weakened by 5%/strengthened by 5% against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been $275,000 higher/$240,000 lower. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2026 was $203,000.

G. Fair Value of Financial Instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 26: Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Group:

	2026 $'000	2025 $'000
AUDIT SERVICES – RSM AUSTRALIA PARTNERS		
Audit and review of the financial statements	343	315
OTHER SERVICES – RSM AUSTRALIA PTY LTD		
Tax services	220	79
Sustainability assurance	80	–
Other consulting services	26	3
	669	**397**

Note 27: Contingent liabilities

The Company uses both Bank Guarantee and Insurance Bond facilities to guarantee contract completion obligations and maintain period liabilities in respect of contracts undertaken. These guarantees and insurance bonds can be activated only in the event of a failure by the Company to meet its obligations under the contract.

	2026 $'000	2025 $'000
Bonds & Guarantees on issue at end of financial year	81,021	65,893

Note 28: Capital commitments

	2026 $'000	2025 $'000
Committed at the reporting date but not recognised as liabilities, payable:		
Plant and equipment	558	570

Note 29: Related party transactions

The Group's main related parties are as follows:

Parent Entity

Duratec Limited is the parent entity.

Key Management Personnel (KMP)

All directors (whether executive or otherwise) of Duratec Limited are considered KMP.

Entities Subject to Significant Influence by the Group

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement. For further details of interests held in associates and joint ventures, refer to "Note 33" on page 130.

Entities, or Any Member of the Group that it is Part of, Provides Key Management Personnel Services

An entity with a director, who is also considered as Key Management Personnel of the Group.

Transactions with Related Parties

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

The following transactions occurred with related parties during the year:

		Sales to related parties $'000	Purchases from related parties $'000	Related party balances in Trade Receivables $'000	Related party balances in Trade Payables $'000	Dividends received $'000	Loan balances payable to related parties $'000	Loan balances receivable from related parties $'000
ASSOCIATES								
DDR Australia Pty Ltd	2026	3,427	560	441	50	–	–	–
	2025	2,510	1,118	579	101	–	–	–
RC Construction WA Pty Ltd	2026	324	262	–	–	–	–	–
	2025	82	1,249	62	126	–	–	–
Jimann Pty Ltd	2026	–	549	–	52	–	–	–
	2025	–	484	–	51	–	–	–
ENTITY PROVIDING KMP SERVICES								
Fortec Australia Pty Ltd	2026	–	6	–	–	–	–	–
	2025	–	9	–	2	–	–	–
Bold Drainage Pty Ltd	2026	–	2,562	–	–	–	–	–
	2025	–	128	–	–	–	–	–
KB Corporate Advisors Pty Ltd	2026	–	–	–	–	–	–	–
	2025	–	42	–	–	–	–	–
Total	**2026**	**3,751**	**3,939**	**441**	**102**	**–**	**–**	**–**
Total	**2025**	**2,592**	**3,030**	**641**	**280**	**–**	**–**	**–**

Compensation of Key Management Personnel of the Group

	2026 $'000	2025 $'000
Short-term employee benefits	2,021	1,746
Post-employment benefits	119	99
Long-term benefits	24	59
Share-based payments	270	94
Total compensation paid to Key Management Personnel	**2,434**	**1,998**

Note 30: Business combinations

A. Acquisition of subsidiary: AMD Electrical Pty Ltd, trading as EIG Australia

On 31 July 2025, Duratec entered an agreement to acquire 100% of AMD Electrical Pty Ltd, trading as EIG Australia, an Australian electrical infrastructure provider, specialising in fuels and fluid transfer services.

The purchase price comprised initial consideration of $5.2m and the maximum earn out of $3.8m which is subject to EBITDA hurdles being met over the 24 months period to 30 June 2027. The Company also paid an additional amount in relation to working capital in line with the Share Purchase Agreement. The working capital amount was finalised in December 2025.

The acquired business contributed revenues of $13,026,000 and profit after tax of $399,000 to the consolidated entity for the period from 1 August 2025 to 30 June 2026. If the acquisition occurred on 1 July 2025, the full year contributions would have been revenues of $15,103,000 and profit after tax of $1,014,000.

The values identified in relation to this acquisition are final as at 30 June 2026.

Details of the purchase consideration are as follows:

	31 Jul 2025 $'000
Initial consideration - cash	4,550
Initial consideration - shares	659
Working capital adjustments	1,462
Contingent consideration (discounted to present value)	3,346
	10,017

The following summarises the recognised fair value amounts of assets acquired and liabilities assumed as at 31 July 2025.

	31 Jul 2025 $'000
Cash	1,695
Trade and other receivables	4,139
Other current assets	182
Property, plant and equipment	879
Right-of-use assets	236
Customer relationships	2,247
Deferred tax balances (net)	(254)
Work in progress	(1,613)
Trade and other payables	(1,487)
Loans and borrowings	(106)
Property lease liabilities	(257)
Current tax liability	(766)
Provisions	(387)
	4,508

Goodwill arising from the acquisition has been recognised as follows:

	31 Jul 2025 $'000
Total consideration transferred	10,017
Fair value of identifiable assets and liabilities	(4,508)
Goodwill	**5,509**

The goodwill is attributable mainly to the skills and talent of EIG employees. The goodwill is not deductible for tax purposes.

Note 30: Business combinations continued

The following table summarises the cash flows in relation to the acquisition during the year.

	30 Jun 2026 $'000
Initial consideration	4,550
Working capital adjustments	1,462
Cash acquired as part of acquisition	(1,695)
Acquisition of subsidiary, net of cash acquired	**4,317**

B. Acquisition of subsidiary: RGK Resources Pty Ltd

On 30 January 2026, MEnD Consulting Pty Ltd, a subsidiary of Duratec Limited, acquired 100% of the ordinary shares of RGK Resources Pty Ltd, an Australian inspection, maintenance, and rope access provider.

The purchase price comprised initial consideration of $1,415,000 and contingent consideration of up to $2,250,000 which is subject to EBITDA hurdles being achieved over the 24-month period to 30 January 2028. The Company also paid an additional amount in relation to working capital in accordance with the Share Purchase Agreement.

The acquired business contributed revenues of $2,031,000 and profit after tax of $25,000 to the consolidated entity for the period from 31 January 2026 to 30 June 2026. Had the acquisition occurred on 1 July 2025, RGK Resources would have contributed revenue of $4,661,000 and profit after tax of $665,000 to the consolidated entity for the year ended 30 June 2026.

The values identified in relation to this acquisition are provisional as at 30 June 2026.

The following table summarises the acquisition-date fair value of consideration.

	30 Jan 2026 $'000
Initial consideration – cash	1,415
Working capital adjustment	313
Contingent consideration (discounted to present value)	1,347
	3,075

The following summarises the recognised fair value amounts of assets acquired and liabilities assumed as at 30 January 2026.

	30 Jan 2026 $'000
Cash	1
Trade and other receivables	788
Other current assets	191
Property, plant and equipment	1,519
Right-of-use assets	476
Customer relationships	1,045
Deferred tax balances (net)	(458)
Trade and other payables	(223)
Loans and borrowings	(686)
Property lease liabilities	(476)
Current tax liability	(99)
Provisions	(31)
Net assets acquired	**2,047**

Goodwill arising from the acquisition has been recognised as follows:

	30 Jan 2026 $'000
Total consideration transferred	3,075
Fair value of identifiable assets	(2,047)
Goodwill	**1,028**

The following table summarises the cash flows in relation to the acquisition during the year

	30 Jun 2026 $'000
Initial consideration	1,415
Working capital adjustment	313
Cash acquired as part of acquisition	(1)
Acquisition of subsidiary, net of cash acquired	**1,727**

C. Acquisition of subsidiary: Hunter Coatings Pty Ltd

On 27 February 2026, Duratec Ltd completed the acquisition of 100% of the ordinary shares of Hunter Coatings Pty Ltd, an Australian provider of industrial painting and protective coating services, specialising in maintenance coatings, surface preparation, corrosion protection, and coating systems for structural steel and infrastructure.

The purchase consideration comprised initial consideration of $1,250,000 and contingent consideration of $1,630,000, subject to EBITDA hurdles being achieved over the 12-month period to 31 March 2026. The hurdles were subsequently met and the contingent consideration of $1,630,000 was paid in full. The Company also paid an additional amount in relation to working capital in accordance with the Share Purchase Agreement.

The acquired business contributed revenue of $974,000 and profit after tax of $52,000 to the consolidated entity for the period from 27 February 2026 to 30 June 2026. Had the acquisition occurred on 1 July 2025, Hunter Coatings would have contributed revenue of $3,581,000 and profit after tax of $692,000 to the consolidated entity for the year ended 30 June 2026.

The values identified in relation to this acquisition are final as at 30 June 2026.

The following table summarises the acquisition-date fair value of consideration.

	27 Feb 2026 $'000
Initial consideration - cash	1,250
Working capital adjustment	705
Contingent consideration	1,630
	3,585

Note 30: Business combinations continued

The following summarises the recognised fair value amounts of assets acquired and liabilities assumed as at 27 February 2026.

	27 Feb 2026 $'000
Cash	1,062
Trade and other receivables	407
Other current assets	6
Property, plant and equipment	285
Customer relationships	846
Deferred tax balances (net)	(192)
Trade and other payables	(175)
Loans and borrowings	(7)
Current tax liability	(103)
Provisions	(200)
	1,929

Goodwill arising from the acquisition has been recognised as follows:

	27 Feb 2026 $'000
Total consideration transferred	3,585
Fair value of identifiable assets	(1,929)
Goodwill	**1,656**

The following table summarises the cash flows in relation to the acquisition during the year.

	30 Jun 2026 $'000
Initial consideration	1,250
Contingent consideration paid	1,630
Working capital adjustment	705
Cash acquired as part of acquisition	(1,062)
Acquisition of subsidiary, net of cash acquired	**2,523**

D. Acquisition of subsidiary: Davhold Australia Pty Ltd, trading as Pacific Welding Australia (PWA)

On 19 June 2026, WPF Duratec Pty Ltd, a wholly owned subsidiary of Duratec Limited, acquired 100% of the ordinary shares of Davhold Australia Pty Ltd (PWA). PWA is a specialist welding, fabrication and mechanical services contractor servicing the energy, water, resources and industrial sectors across Australia. The acquisition expands the Group's capability in pipeline construction, industrial maintenance, fabrication and specialist welding services.

The purchase price comprised initial consideration of $6m and contingent consideration of up to $6m, payable subject to EBITDA performance hurdles being achieved during the 24-month period ending 30 June 2028. The purchase consideration remains subject to customary working capital adjustments in accordance with the Share Purchase Agreement.

PWA contributed revenue of $643,000 and profit after tax of $71,000 to the consolidated entity for the period from 19 June 2026 to 30 June 2026.

Had the acquisition occurred on 1 July 2025, management estimates that PWA would have contributed revenue of $14,747,000 and profit after tax of $888,000 to the consolidated entity for the year ended 30 June 2026.

The values identified in relation to this acquisition are provisional as at 30 June 2026. Accordingly, the fair values of the identifiable assets acquired, liabilities assumed and contingent consideration may be adjusted within the measurement period as permitted by AASB 3 Business Combinations.

The following table summarises the acquisition-date fair value of consideration.

	19 Jun 2026 $'000
Cash paid to vendors	3,221
Settlement of acquiree debt	2,779
Contingent consideration (discounted to present value)	5,144
	11,144

	19 Jun 2026 $'000
Cash	138
Trade and other receivables	2,698
Other current assets	108
Property, plant and equipment	1,023
Right-of-use assets	693
Other non current assets	27
Customer relationships	2,167
Deferred tax balances (net)	(759)
Work in progress	793
Trade and other payables	(1,735)
Loans and borrowings	(27)
Property lease liabilities	(695)
Current tax liability	(185)
Provisions	(123)
	4,123

Goodwill arising from the acquisition has been recognised as follows:

	19 Jun 2026 $'000
Total consideration transferred	11,144
Fair value of identifiable assets	(4,123)
Goodwill	**7,021**

The following table summarises the cash flows in relation to the acquisition during the year.

	30 Jun 2026 $'000
Cash paid to vendors	3,221
Settlement of acquiree debt	2,779
Cash acquired as part of acquisition	(138)
Acquisition of subsidiary, net of cash acquired	**5,862**

Note 31: Share-based payments

As at 30 June 2026, the Company had the following share-based payment arrangements:

A. Hurdled Performance Rights

On the dates noted below offers of rights were made to senior executives and key managers, as determined by the Board of Directors:

- 1 December 2023, an offer of 3,310,000 Rights
- 17 May 2024, an offer of 25,000 Rights
- 24 March 2025, an offer of 3,982,551 Rights
- 7 April 2025, an offer of 850,000 Rights
- 19 Jan 2026, an offer of 492,438 Rights
- 28 Jan 2026, an offer of 3,219,166 Rights

Number of Rights granted	VESTING DATE	Lapsed	Balance	VESTING HURDLES
1,655,000	31 Aug 2026	242,500	1,412,500[1]	1. Continued employment to vesting date & meeting an earnings per share (EPS) target
12,500	31 Aug 2026	–	12,500[1]	
1,991,277	30 Jun 2027	197,590	1,793,687[1]	
425,000	30 Jun 2027	–	425,000[1]	
1,609,571	30 Jun 2028	–	1,609,571[1]	
246,219	30 Jun 2028	–	246,219[1]	
1,655,000	31 Aug 2026	182,500	1,472,500[2]	
12,500	31 Aug 2026	–	12,500[2]	
1,991,274	30 Jun 2027	167,589	1,823,685[2]	2. Continued employment to vesting date & meeting a total shareholder return (TSR) target
425,000	30 Jun 2027	–	425,000[2]	
1,609,595	30 Jun 2028	–	1,609,595[2]	
246,219	30 Jun 2028	–	246,219[2]	
11,879,155		**790,179**	**11,088,976**	

In the year ended 30 June 2026, 4,600,000 Rights granted in previous periods vested and were converted into ordinary shares.

The cost of equity-settled transactions is measured at fair value on their respective grant dates. Where market vesting conditions apply, fair value has been determined using a Monte Carlo simulation model. The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to the profit or loss is calculated based on the grant date fair value, the best estimate of the number of awards that are likely to vest and any expired portion of the vesting period. The amount recognised in the profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

B. Valuation model inputs

For the performance rights issued during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	19 Jan 2026	28 Jan 2026
Expiry Date	30 Sep 2030	30 Sep 2030
Number of Performance Rights	492,438	3,219,166
Share Price at Valuation Date	$2.20	$2.21
Expected Volatility	45.30%	45.20%
Dividend Yield	1.93%	1.93%
Risk Free Interest Rate	4.05%	4.18%
Fair Value at Valuation Date:		
Subject to Total Shareholder Return (TSR) performance condition	$1.05	$1.12
Subject to Earnings Per Share (EPS) performance condition	$2.20	$2.21

C. Expenses arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2026 $'000	2025 $'000
Deferred shares issued under the short-term incentive scheme - Duratec Limited	2,199	1,537
Deferred shares issued under the short-term incentive scheme - WPF Duratec Pty Ltd	75	91
	2,274	1,628
Deferred shares issued under the short-term incentive scheme - associate and joint venture entities	219	151
	2,493	**1,779**

Note 32: Parent entity information

Set out below is the supplementary information about the parent entity.

	2026 $'000	2025 $'000
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Profit after income tax[1]	20,730	18,785
Total comprehensive income[1]	**20,730**	**18,785**
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	158,193	154,968
Non-current assets	94,072	74,285
Total assets	**252,265**	**229,253**
LIABILITIES		
Current liabilities	140,727	135,277
Non-current liabilities	27,912	27,662
Total liabilities	**168,639**	**162,939**
EQUITY		
Issued capital	35,496	31,726
Reserves	6,274	3,353
Retained earnings	41,856	31,235
Total equity	**83,626**	**66,314**

1. Includes acquisition related costs

Contingent liabilities

Other than disclosed in Note 27, the parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments – Property, plant and equipment

Other than disclosed in Note 28, the parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 33: Interests in subsidiaries, associates and joint arrangements

A. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in "Note 1" on page 96. The proportion of ownership interests held equals the voting rights held by the Group. Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

		Ownership interest held by the Group	
NAME OF ENTITY	PRINCIPAL PLACE OF BUSINESS AND COUNTRY OF INCORPORATION	2026 %	2025 %
Duratec Australia (ES) Pty Ltd	Australia	100	100
MEnD Consulting Pty Ltd	Australia	100	100
Duratec New Zealand Ltd[1]	New Zealand	100	100
WPF Duratec Pty Ltd	Australia	100	100
Atec Facades Pty Ltd	Australia	100	100
Duratec (PNG) Limited	Papua New Guinea	100	100
AMD Electrical Pty Ltd	Australia	100	–
RGK Resources Pty Ltd	Australia	100	–
Hunter Coatings Pty Ltd	Australia	100	–
Davhold Australia Pty Ltd	Australia	100	–

1. Duratec New Zealand Limited was incorporated in November 2020 but is not yet trading.

B. Associates and joint arrangements

Interests in associates are accounted for using the equity method of accounting whilst Duratec Limited's share of the joint arrangement is proportionately consolidated in the financial accounts.

			Ownership interest held by the Group	
NAME OF ENTITY	PRINCIPAL PLACE OF BUSINESS AND COUNTRY OF INCORPORATION	CLASSIFICATION	2026 %	2025 %
DDR Australia Pty Ltd	Australia	Associate	49	49
Duratec Ertech JV	Australia	Joint Operation	50	50
DXP Energy Solutions Pty Ltd	Australia	Joint Venture	70	–
Duratec West Coast Civil JV	Australia	Joint Operation	50	–

C. Information about associates

DDR Australia Pty Ltd ('DDR') is registered as an incorporated company. 51% of DDR's issued shares are owned by Hutcheson & Co Holdings Pty Ltd and 49% is owned by Duratec Limited. The purpose of the business is to carry out Commonwealth and State Government works, whether directly or via Government contractors, where there is an indigenous procurement policy. DDR owns 100% of the issued share capital of RC Construction WA Pty Ltd.

D. Information about joint arrangements

Duratec Ertech JV

Duratec Ertech JV is an unincorporated entity and is classified as a joint operation whereby Duratec and Ertech each have a 50% interest. Duratec Ertech JV is a contractual arrangement between participants for the sharing of costs and outputs and Duratec Limited's share is proportionately consolidated in the financial accounts.

Duratec West Coast Civil JV

Duratec West Coast Civil JV (DWJV) is an unincorporated entity and is classified as a joint operation whereby Duratec Limited and West Coast Civil Pty Ltd each have a 50% interest. DWJV is a contractual arrangement between participants for the sharing of costs and outputs and Duratec Limited's share is proportionately consolidated in the financial accounts.

DXP Energy Solutions

DXP Energy Solutions Pty Ltd ('DXP') is registered as an incorporated company. 70% of DXP's issued shares are owned by Duratec Limited and 30% is owned by Proxima Energy Pty Ltd. The purpose of the business is to provide integrated services across the energy sector asset lifecycle, including development, operations, life extension and decommissioning.

Note 34: Deed of cross guarantee

At 30 June 2026, Duratec Limited, MEnD Consulting Pty Ltd, WPF Duratec Pty Ltd, AMD Electrical Pty Ltd, Hunter Coatings Pty Ltd and RGK Resources Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirements to prepare a financial report and directors' report under ASIC Corporations (Wholly Owned Companies) Instrument 2016/785.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Duratec Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2026 $'000	2025 $'000
CONTINUING OPERATIONS		
Revenue from contracts with customers	557,270	573,093
Contracting cost of sales	(440,456)	(466,512)
	116,814	**106,581**
Other income	6,516	5,871
Employee benefits expense	(57,201)	(51,625)
Administration expense	(11,744)	(10,216)
Occupancy expense	(3,492)	(3,712)
Depreciation and amortisation expense	(17,515)	(16,204)
Finance costs	(4,609)	(3,122)
Equity accounted investment results	289	2,146
Profit before income tax expense from continuing operations	**29,058**	**29,719**
Income tax expense	(4,550)	(6,719)
Profit after income tax expense for the year	**24,508**	**23,000**
Total comprehensive income for the year	**24,508**	**23,000**
PROFIT FOR THE YEAR IS ATTRIBUTABLE TO:		
Owners of Duratec Limited		
Profit for the year	24,508	23,000
Total comprehensive income for the year, net of tax	24,508	23,000
	24,508	**23,000**

Note 34: Deed of cross guarantee continued

STATEMENT OF FINANCIAL POSITION	2026 $'000	2025 $'000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	71,738	81,731
Trade and other receivables	53,922	61,029
Contract assets	50,422	24,813
Inventories	1,673	1,639
Other current assets	2,339	2,297
Total Current Assets	**180,094**	**171,509**
NON-CURRENT ASSETS		
Trade and other receivables	260	335
Property, plant and equipment	38,741	37,199
Right-of-use assets	16,191	13,424
Investments accounted for using the equity method	8,412	7,878
Investment in subsidiaries	14,067	–
Other non-current assets	249	374
Intangible assets	23,540	13,093
Deferred tax assets	9,034	5,181
Total Non-Current Assets	**110,494**	**77,484**
Total Assets	**290,588**	**248,993**
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	87,221	80,211
Contingent consideration	537	–
Borrowings	27,244	21,916
Property lease liabilities	3,079	2,531
Contract liabilities	19,085	24,446
Current tax payable	1,187	1,133
Provisions	13,547	12,366
Total Current Liabilities	**151,900**	**142,603**
NON-CURRENT LIABILITIES		
Trade and other payables	4,197	3,827
Contingent consideration	9,484	–
Borrowings	11,377	13,472
Property lease liabilities	14,545	11,472
Deferred tax liabilities	2,565	2,325
Provisions	3,453	2,499
Total Non-Current Liabilities	**45,621**	**33,595**
Total Liabilities	**197,521**	**176,198**
Net Assets	**93,067**	**72,795**
EQUITY		
Issued capital	35,496	31,726
Reserves	6,274	3,122
Retained earnings	51,297	37,947
Total Equity	**93,067**	**72,795**

Note 35: Reconciliation of profit after income tax to net cash from operating activities

STATEMENT OF FINANCIAL POSITION	2026 $'000	2025 $'000
Profit after income tax expense for the year	23,761	22,827
ADJUSTMENTS FOR:		
Depreciation and amortisation expense	17,563	16,204
Share of profits of associates	(289)	(2,146)
Dividends received from associate	(3,158)	(1,715)
Gain on sale of fixed assets	(440)	369
Share-based payment expense	2,274	1,628
Gain on bargain purchase	–	(216)
Other reconciling items	(5)	1
CHANGE IN OPERATING ASSETS AND LIABILITIES:		
Decrease/(Increase) in trade and other receivables	11,557	12,838
(Increase)/Decrease in contract assets	(28,414)	(6,017)
Increase in inventories	(33)	(265)
Increase in other assets	(66)	(97)
Increase/(Decrease) in trade and other payables	10,200	6,043
(Decrease)/Increase in contract liabilities	(5,365)	(14,686)
Increase in provisions	1,520	1,807
(Decrease) Increase in tax balances	(2,727)	(516)
Net cash from operating activities	**26,378**	**36,059**

Non-cash transactions

Additions to the right-of-use assets during the year amounted to $5,432,000 (2025: $12,200,000).

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	1 July 2025 $'000	New leases $'000	Acquired in acquisition $'000	Repayments made $'000	Other non-cash adjustments $'000	30 June 2026 $'000
Borrowings	35,388	36,477	826	(33,464)	(184)	39,043
Lease Liabilities	14,003	5,432	1,428	(3,020)	470	18,313

	1 July 2024 $'000	New leases $'000	Acquired in acquisition $'000	Repayments made $'000	Other non-cash adjustments $'000	30 June 2025 $'000
Borrowings	25,495	30,168	–	(20,275)	–	35,388
Lease Liabilities	6,067	12,200	–	(3,375)	(889)	14,003

Note 36: Events after the reporting period

Appointment and Resignation of Directors

On 4 August 2026, the Company announced the appointment of Mr Jamie Cullen as a Non-Executive Director, effective 1 October 2026. The Company also announced that Mr Gavin Miller intends to resign as a Non-Executive Director, effective immediately following the Company's 2026 Annual General Meeting.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the result of those operations, or the Group's state of affairs in future financial years.

Consolidated Entity Disclosure Statement

As at 30 June 2026

ENTITY NAME	ENTITY TYPE	PLACE FORMED / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST %	TAX RESIDENCY
Duratec Australia (ES) Pty Ltd	Body corporate	Australia	100%	Australia[1]
MEnD Consulting Pty Ltd	Body corporate	Australia	100%	Australia[1]
Duratec New Zealand Ltd	Body corporate	New Zealand	100%	Australia[2]
WPF Duratec Pty Ltd	Body corporate	Australia	100%	Australia[1]
Duratec (PNG) Limited	Body corporate	Papua New Guinea	100%	Australia[2]
Atec Facades Pty Ltd	Body corporate	Australia	100%	Australia[1]
AMD Electrical Pty Ltd	Body corporate	Australia	100%	Australia[1]
RGK Resources Pty Ltd	Body corporate	Australia	100%	Australia[1]
Hunter Coatings Pty Ltd	Body corporate	Australia	100%	Australia[1]
Davhold Australia Pty Ltd	Body corporate	Australia	100%	Australia[1]
Duratec Limited Employee Share Trust	Trust	Australia	N/A	Australia[2]

1. Duratec Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.
2. The entity is a tax resident of the overseas jurisdiction by virtue of its incorporation and is also expected to be an Australian tax resident because its central management and control is exercised in Australia. Accordingly, the entity is a dual resident, and its residence for treaty purposes is to be determined by mutual agreement between the competent authorities of Australia and the overseas jurisdiction.

Directors' Declaration

For the year ended 30 June 2026

In the directors' opinion:

the consolidated financial statements and notes are in accordance with the Corporations Act 2001 and;

a. Comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
b. Give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
c. Comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements; and
d. At the date of this declaration, there are reasonable grounds to believe that the members of Duratec Limited 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 described in Note 34 to the financial statements.
e. The information disclosed in the consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors and in accordance with section 295(5)(a) of *the Corporations Act 2001*.

On behalf of the Directors

Chris Oates
Managing Director – Duratec Limited

Date: 25 August 2026

Perth

Independent Auditor's Report

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DURATEC LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

RSM

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Revenue Refer to Note 4 in the financial statements	
The Group's largest source of revenue is derived from construction services and services contracts. Construction services and services contracts revenue is recognised by management after assessing all factors relevant to each contract, including specifically assessing the following: • Estimation of total contract revenue and costs, including the estimation of cost contingencies; • Determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims; • Determination of the stage of completion and measurement of progress towards performance obligations; and • Estimation of project completion dates. The above determinations will also impact account balances such as contract assets and liabilities. We determined this area to be a key audit matter due to the number and type of estimation events throughout the contract life, the unique nature of individual contract conditions, leading to complex and judgemental revenue recognition from contracts.	Our audit procedures included: • Assessing the revenue recognition policies applied by the Group against the criteria in the Australian Accounting Standards; • Assessing contractual terms with customers and substantiating project revenues and costs incurred against underlying supporting documents; • Assessing management's assumptions in determining the stage of completion, total transaction price and total budgeted cost estimate for construction contracts; • Testing the mathematical accuracy of revenue and profit recognised during the year based on the stage of completion for construction contracts; • Reading customers' and subcontractors' correspondence and discussing the progress of projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that would impact the estimated contract costs; • Agreeing progress billings to invoices issued and receipts; • Assessing completion certificates for completed projects; • Discussing with project personnel and management the rationale for revisions made to budgeted costs and checking supporting documentation; • Challenging management's assessment and testing the reasonableness of the provision for foreseeable losses; • Challenging the judgments made by management in estimating the expected credit loss relating to contract assets; and • Assessing disclosures in the financial report.

Independent Auditor's Report continued

RSM

Key Audit Matter	How our audit addressed this matter
Business Combinations Refer to Note 17 & 30 in the financial statements	
On 31 July 2025, the Company acquired 100% AMD Electrical Pty Ltd, trading as EIG Australia, an Australian electrical infrastructure provider, specialising in fuels and fluid transfer services. On 30 January 2026, MEnD Consulting Pty Ltd, a subsidiary of the Company, acquired 100% of the ordinary shares of RGK Resources Pty Ltd, an Australian inspection, maintenance, and rope access provider. On 27 February 2026, the Company acquired 100% of the ordinary shares of Hunter Coatings Pty Ltd, an Australian provider of industrial painting and protective coating services, specialising in maintenance coatings, surface preparation, corrosion protection, and coating systems for structural steel and infrastructure. On 19 June 2026, WPF Duratec Pty Ltd, a wholly owned subsidiary of the Company, acquired 100% of the ordinary shares of Davhold Australia Pty Ltd (PWA). PWA is a specialist welding, fabrication and mechanical services contractor servicing the energy, water, resources and industrial sectors across Australia. The acquisition expands the Group's capability in pipeline construction, industrial maintenance, fabrication and specialist welding services.. The transactions were treated as business combinations in accordance with *AASB 3 Business Combinations*. The purchase price allocation has resulted in additional intangible assets of $21,519,000 in total, consisting of customer relationships and goodwill being recognised. The acquisitions were considered a key audit matter because the accounting for the transactions are complex and involves significant judgements. These include the recognition and valuation of the consideration paid and the determination of the fair value of the assets acquired and liabilities assumed.	Our audit procedures included: • Assessing the Group's accounting policy for compliance with the Australian Accounting Standards; • Reading the acquisition agreements to obtain an understanding of the transaction and the related accounting considerations; • Assessing management's application of acquisition accounting, including the determination of control and identification of the acquisition date in accordance with AASB 3 Business Combinations; • Assessing the methods, assumptions and data utilised in determining the fair value of assets and liabilities acquired, including evaluating the work performed by management's experts and the competency and objectivity of the expert; • Testing the calculation of consideration transferred, including deferred and contingent consideration arrangements; • Recalculating the goodwill arising on the acquisition; and • Assessing the disclosures in the financial statements.

Goodwill Refer to Note 17 in the financial statements	
The carrying amount of goodwill at 30 June 2026 was $19,878,000. Management performs an annual impairment test on the recoverability of goodwill as required by Australian Accounting Standards. We determined this area to be a key audit matter as management's assessment of the value-in-use of the cash-generating unit (CGU) involves judgement about the future cash flow projections, expected revenue growth rates and the discount rate.	Our audit procedures included: • Assessing the Group's accounting policy for compliance with the Australian Accounting Standards; • Assessing management's determination that the goodwill should be allocated to the respective CGUs; • Assessing the valuation methodology used to determine the recoverable amount of the assets in the CGUs; • Challenging the reasonableness of key assumptions used in the value-in-use model (VIU), including the future cash flow projections, expected revenue growth rate and discount rate; • Assessing management's sensitivity analysis over the key assumptions used in the VIU; • Checking the mathematical accuracy of the VIU and reconciling input data to supporting documentation; and • Assessing the disclosures in the financial statements.

Other Information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

a. the financial report (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

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

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

i. the financial report (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

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

Independent Auditor's Report continued

RSM

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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.

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

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

In our opinion, the Remuneration Report of Duratec 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.

RSM

RSM AUSTRALIA

TUTU PHONG
Partner

Perth, WA
Dated: 25 August 2026

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DURATEC LIMITED

REPORT ON SPECIFIED SUSTAINABILITY DISCLOSURES PRESENTED IN THE SUSTAINABILITY REPORT TITLED "SUSTAINABILITY REPORT" PREPARED IN ACCORDANCE WITH THE *CORPORATIONS ACT 2001*

Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Duratec Limited (the Company) and its subsidiaries (the Group), for the year ended 30 June 2026 as required by contained within the Sustainability Report *Sustainability Reports* under the *Corporations Act 2001* (ASSA 5010) issued by the Auditing and Assurance Standards Board (AUASB).

Sustainability Disclosures	**Reporting requirement of Australian Sustainability Reporting Standard S2 *Climate-related Disclosures* (AASB S2) (including related general disclosures required by Appendix D)**	**Location in Sustainability Report**
Governance	Paragraph 6	Section titled "Governance" contained within the Sustainability Report.
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Within the section titled "Strategy", contained within the Sustainability Report, limited to following sub-sections: i. "*Climate-related Risks – Physical Risks*" (Table 4 to Table 9). ii. "*Climate-related Risks – Transition Risks*" (Table 10 to Table 14). iii. "*Climate-related Opportunities*" (Table 15 to Table 19).
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Within the section titled "Metrics and Targets", contained within the Sustainability Report, limited to the sub-section: "*Scope 1 and 2 Emissions*" (Table 26a and Table 26b).

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

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

Independent Auditor's Report continued

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 specified Sustainability Disclosures are free from material misstatement.

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

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

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 applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

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

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 information included in the Group's annual report for the year ended 30 June 2026 but does not include the specified Sustainability Disclosures and the assurance report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities for the specified Sustainability Disclosures

The Directors of the Company are responsible for:

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

Inherent Limitations in Preparing the specified Sustainability Disclosures

Climate-related reporting is a developing area, and as such, sustainability information is likely to be subject to greater inherent limitations than financial information. This is due to its nature, which includes the use of forward-looking scenarios, targets, and assumptions, and to the methods used for determining, calculating, and estimating the sustainability information. Different, but acceptable, evaluation and measurement techniques may have varying precision, which may affect the comparability of sustainability information between entities and over time. 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 specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

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

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

Independent Auditor's Report continued

RSM

Summary of the Work Performed

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

- Enquire with relevant Group personnel to obtain an understanding of the internal controls, governance structure and reporting processes of the specified Sustainability Disclosures;
- Review relevant documentation including the calculation spreadsheets, basis of preparation, policies, reporting procedures, methodologies and other supporting records underlying the specified Sustainability Disclosures;
- Assess the application of the Criteria in respect of the specified Sustainability Disclosures;
- Test the specified Sustainability Disclosures to source documentation on a sample basis;
- Test the mathematical accuracy of a sample of calculations underlying the specified Sustainability Disclosures;
- Reconcile the specified Sustainability Disclosures to underlying data sources on a sample basis;
- Review the Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of the Group and our observation of its operations; and
- Evaluate the presentation and disclosure of the specified Sustainability Disclosures in compliance with the requirements of AASB S2.

RSM

RSM AUSTRALIA

TUTU PHONG
Partner

Perth, WA
Dated: 25 August 2026

Shareholding Details as at 31 July 2026

Class of Shares and Voting Rights

As at 31 July 2026, the issued share capital of the Company was 258,160,262 fully paid ordinary shares. All issued fully paid ordinary shares carry one vote per share.

Substantial Shareholders as at 31 July 2026

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

SHAREHOLDER NAME	Number of Shares
ERTECH HOLDINGS PTY LTD	47,348,514
JAMES ROBERT GIUMELLI	47,348,514[1]
JAMES PATRICK GIUMELLI	47,748,514[1]
DENCORT PTY LTD <HARCOURT FAMILY A/C>	20,153,389
MR CHRIS OATES & MRS PAMELA OATES	23,853,389
KENT COLONY VENTURES PTY LTD <DIPROSE RICHARDS FAMILY A/C>	23,803,649

1. Each of these holders has a relevant interest in the 47,348,514 shares held by Ertech Holdings Pty Ltd pursuant to the *Corporations Act 2001* (Cth)

Distribution of Shareholdings as at 31 July 2026

RANGE	Total Holders	% Units
1-1,000	731	0.15
1,001-5,000	1,047	1.14
5,001-10,000	468	1.39
10,001-100,000	700	7.27
100,001 and over	89	90.06

Number of shareholders
3,035

Total Shares on Issue
258,160,262

Nº of unmarketable parcels
151[2]

2. Based on a closing price of $2.120 on 31 July 2026

Top 20 Shareholders as at 31 July 2026

	HOLDER	Number of Shares	% of Total
1	ERTECH HOLDINGS PTY LTD	47,348,514	18.34
2	CITICORP NOMINEES PTY LIMITED	26,331,636	10.20
3	MR CHRIS OATES + MRS PAMELA OATES <OATES FAMILY A/C>	23,853,389	9.24
4	KENT COLONY VENTURES PTY LTD <DIPROSE RICHARDS FAMILY A/C>	23,803,649	9.22
5	DENCORT PTY LTD <HARCOURT FAMILY A/C>	20,153,389	7.81
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,088,041	5.46
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,073,788	5.45
8	BNP PARIBAS NOMS PTY LTD	9,450,860	3.66
9	BNP PARIBAS NOMS (NZ) LTD	9,214,136	3.57
10	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	4,021,681	1.56
11	UBS NOMINEES PTY LTD	3,668,847	1.42
12	JAWP INVESTMENTS PTY LTD	2,660,000	1.03
13	MR OLIVER MCKEON <MT POCKETS BUSINESS A/C>	2,619,054	1.01
14	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	2,453,633	0.95
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,931,700	0.75
16	FORT BARAMBA PTY LTD	1,738,635	0.67
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,492,803	0.58
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,179,004	0.46
19	MR KENNETH JOHN BEER + MR ALEXANDER CHARLES BEER <BEER SUPER FUND A/C>	1,170,216	0.45
20	ENGINEERED PROCESS SYSTEMS PTY LTD	1,138,586	0.44

On-market Share Buy-back

There is no current on-market buy-back.

Restricted Securities

A total of 451,703 fully paid ordinary shares were subject to voluntary escrow until 31 July 2026 and were released from voluntary escrow on that date. As at 31 July 2026, there are no restricted securities or securities subject to voluntary escrow on issue.

Unquoted Securities

CLASS	Number of securities	Number of holders
Performance Rights	12,009,776	118

There are no voting rights attaching to performance rights.

Distribution of Performance Rights as at 31 July 2026

RANGE	Total Holders	% Units
1-1,000	–	–
1,001-5,000	–	–
5,001-10,000	7	0.6%
10,001-100,000	76	32.2%
100,001 and over	35	67.3%

Corporate Directory

Registered Office & Principal Place of Business

108 Motivation Drive
Wangara Western Australia 6065

Contact Details

Phone: +61 (8) 9206 6900
E-mail: info@duratec.com.au
Internet: www.duratec.com.au

Directors

Martin Brydon Non-Executive Director, Chairman
Chris Oates Executive Director, Managing Director
Robert (Phil) Harcourt Non-Executive Director
Gavin Miller Non-Executive Director
Emma Scotney Non-Executive Director

Company Secretary

Dennis Wilkins

Share Registry

Computershare Investor Services Pty Limited
Level 11
172 St George's Terrace
Perth Western Australia 6000

Share Trading Facilities

The Company's ordinary shares are listed on the Australian Securities Exchange (Code: DUR)

The Home exchange is Perth.

Auditor

RSM Australia Partners
Level 32
Exchange Tower
2 The Esplanade
Perth Western Australia 6000

www.duratec.com.au