Annual Report 2026

SAUNDERS

Acknowledgement of Country

We acknowledge the Traditional Owners and Custodians of Country throughout Australia and pay our respects to First Nations peoples, past and present.

As a business delivering critical infrastructure across many locations, we recognise and respect the continuing connection to lands, waters, cultures, languages and traditions.

Artwork by Sharon Smith, a Wiradjuri artist from Western NSW.

Contents

About this report

The Saunders 2026 Annual Report summarises Saunders International Limited's operations, performance and financial position for the financial year ended 30 June 2026. Unless otherwise stated, references to 'Saunders', 'the Company', 'the Group', 'us', 'we' and 'our' refer to Saunders International Limited. References to 'year', 'Financial Year', '2026', 'FY26' or 'FY2026' all refer to the financial year ended 30 June 2026. All dollar figures are expressed in Australian dollars unless otherwise noted.

About Us

Who we are

An integrated infrastructure services business.

What we do

We engineer, build and sustain critical infrastructure in high-compliance markets.

Our vision

To be the most trusted partner for critical infrastructure delivery.

Engineer

Build

Sustain

About Us

Built for what's next

Proudly Australian. Proven nationally.

Saunders is a proudly Australian, ASX-listed infrastructure services business with more than 70 years of delivery experience. Our national presence and local delivery capability position us to support clients and critical assets across metropolitan, regional and remote locations.

One Team. Integrated delivery.

Our people collaborate across disciplines, locations and project stages to solve complex challenges and deliver the right outcome.

By bringing together engineering, construction and asset services, we reduce interfaces, strengthen accountability and give clients greater delivery certainty.

Trusted in high-compliance environments

We support government, asset owners and leading organisations operating in regulated, security-sensitive and operationally complex environments.

Our relationships are built on confidence in our proven track record of delivery and a high degree of trust in our commitment to safety, quality and long-term value.

Integrated capabilities

01
Fluid Storage and Transfer Infrastructure

02
Structural, Mechanical and Piping

03
Industrial Automation and Electrical

04
Civil and Water Infrastructure

05
Industrial Asset and Maintenance Services

Markets We Serve

Defence & Government

Critical fuel and sovereign infrastructure

Integrated delivery in live and high-compliance environments

Water

Storage, treatment and network infrastructure

New-build, renewal and lifecycle services

Energy

Fuel security, storage and energy infrastructure

Brownfield upgrades, asset renewal and sustainment

Resources & Industrials

Processing and industrial infrastructure

Commodity-led growth, sustaining capital and asset services

Performance Highlights

Revenue
$305.6m
↑ 42.5% from $214.5m

Adjusted EBITDA
$9.8m
↑ 5.0% from $9.3m

Adjusted NPATA
$3.9m
↑ 19.1% from $3.2m

Adjusted EPSA
2.85 cents
↑ 6.3% from 2.68 cents

Dividend
1.0 cent
↓ 55.6% from 2.25 cents

Cash
$29.8m
↑ 35.0% from $22.1m

Work in Hand
$571.9m
↑ 8.1% from $529.0m

Pipeline
$5.1bn
↑ 27.5% from $4.0bn

Performance Highlights

Positioned to capture Australia's next wave of critical infrastructure investment

FY2026 was a year of strengthening the business while positioning Saunders to capture growing investment across Australia's critical infrastructure markets

Revenue increased 42.5% to a record $305.6 million, while Adjusted EBITDA increased 5.0% to $9.8 million. Saunders closed the year with $29.8 million in cash, record Work in Hand of $571.9 million and a record opportunity pipeline of $5.1 billion, providing increased earnings visibility into FY2027 and beyond.

The successful integration of Saunders Aqua Metro, together with greater integration across the asset lifecycle, expanded our multidisciplinary capability and market access.

Multi-year panels, Master Services Agreements and long-term client relationships are strengthening revenue visibility, supporting earlier engagement with clients and increasing the resilience of the business.

Strategic progress

Core capability integration

Strengthened connections between our core delivery capabilities, enabling broader project scopes where appropriate, fewer delivery interfaces and clearer client accountability.

Scalable Water capability

Completed integration of Saunders Aqua Metro, strengthening our Water capability and establishing a scalable national delivery model for long-term utility and local government programs.

Long-term market access

Expanded recurring revenue opportunities through strategic panel appointments, including two 10-year Sydney Water delivery panels.

Defence momentum

Strengthened our Defence position through new contract wins, including our first head contract with the Australian Department of Defence.

Chair Report

A stronger platform, expanded market access and record pipeline position Saunders for disciplined, sustainable growth

Strengthening the business for long-term value creation

On behalf of the Board, I am pleased to present Saunders' Annual Report for the 2026 financial year.

FY2026 marked an important step in Saunders' evolution. The Group delivered record revenue, strengthened its financial position and expanded its access to larger, longer-term and more recurring opportunities across its four key markets.

The successful integration of Saunders Aqua Metro, continued investment in capability and the achievement of important strategic milestones have created a stronger and more resilient platform for growth.

Saunders ended the year with a strong balance sheet, record work in hand and a record opportunity pipeline. Together with the Group's specialist expertise, integrated delivery model and long-standing client relationships, these foundations position Saunders to pursue sustainable growth and create long-term value for shareholders.

Chair Report

Strategic progress and resilience

During FY2026, Saunders continued its evolution into a more integrated infrastructure services business, with multidisciplinary capability spanning the full asset lifecycle.

The successful integration of Saunders Aqua Metro materially strengthened the Group's Water capability and broadened its geographic reach. Expansion of Saunders' long-term panel positions, together with important progress in Defence & Government, also increased access to strategic infrastructure programs and more recurring opportunities.

Across the Group, long-term panels, Master Services Agreements, Early Contractor Involvement engagements and established client relationships are supporting earlier engagement, improved visibility and a more resilient earnings profile.

Throughout this progress, Saunders maintained a disciplined approach to growth, investing in capability, capacity and systems while preserving the delivery focus and technical foundations developed over more than 70 years.

Financial performance

Whilst FY26 had a statutory loss with H1 FY2026 earnings impacted by project delays and extreme weather events, H2 FY2026 saw a return to improved profitability, and Saunders delivered record revenue of $305.6 million, up 42.5% on the prior year following the acquisition of Aqua Metro. Adjusted EBITDA increased by 5.0% to $9.8 million and was in line with the Group's revised market guidance. Adjusted net profit after tax, excluding amortisation, increased to $3.9 million from $3.2 million in FY2025.

Cash and cash equivalents increased by 35.0% to $29.8 million, providing the Group with financial flexibility to continue investing in capability, market expansion and long-term growth.

At 30 June 2026, Work in Hand reached a record $571.9 million, up 8.1% on the prior year, while the opportunity pipeline increased by 27.5% to a record $5.1 billion.

The Board declared a fully franked final dividend of 1.00 cent per share, resulting in total dividends of 1.00 cent per share for FY2026.

Leadership and governance

FY2026 marked an important leadership transition for Saunders. On behalf of the Board, I thank Mark Benson for his outstanding leadership and service over the past decade. Under Mark's stewardship, Saunders transformed from a specialised tank contractor into a national, integrated infrastructure services business with a strong platform for continued growth.

We were pleased to appoint Angelo De Angelis as Managing Director & Chief Executive Officer. Angelo brings deep knowledge of Saunders, its people, clients and markets, together with extensive industry and leadership experience.

Since his appointment, Angelo has provided clear leadership and strategic focus, building on the Group's foundations while sharpening execution, strengthening client relationships and positioning Saunders for its next phase of growth.

The Board is confident in Angelo's ability to lead the Group through this next stage of evolution, supported by an experienced leadership team and a clear focus on disciplined execution, resilient earnings and sustainable value creation.

Safety, people, responsible business

Safety remains the Board's highest priority. During FY2026, Saunders continued strengthening the safety culture across the integrated Group and reduced its Total Recordable Injury Frequency Rate by 20% to 3.9 injuries per million hours worked.

The Group also received Office of the Federal Safety Commissioner accreditation for the maximum permissible period of six years and maintained its ISO certifications.

Saunders continued investing in leadership, workforce capability, employee wellbeing and inclusive employment, while progressing its commitments across reconciliation, modern slavery, environmental governance and responsible business practices.

Acknowledgements

I thank our shareholders for their continued support, our clients and partners for their trust and my fellow Directors for their guidance.

Most importantly, I thank our people for their dedication, professionalism and contribution throughout the year.

Nicholas Yates
Chair

$305.6m
Record Revenue up 42.5%

$29.8m
Cash up 35.0%

$571.9m
Record work in hand up 8.1%

$5.1bn
Record opportunity pipeline up 27.5%

Managing Director & CEO Report

We are strengthening Saunders today to capture the opportunities emerging across Australia's critical infrastructure markets

Building a stronger platform for growth

It is a privilege to present my first Annual Report as Managing Director & Chief Executive Officer of Saunders. I step into the role with confidence in our people, clarity in our strategy and conviction in the opportunity ahead.

FY2026 demonstrated the progress Saunders is making as an integrated infrastructure services business. We strengthened our operating platform, expanded our market access and continued positioning the Group to capture growing capital investment across Australia's critical infrastructure markets.

Our exposure to markets with strong long-term tailwinds, combined with our integrated delivery capability and specialist high-compliance expertise, positions Saunders to benefit from increasing expenditure on asset expansion, renewal, upgrades, maintenance and compliance projects.

Evolving our operating platform

Throughout FY2026, we continued to evolve our structure, capability and operating model to improve resilience, expand market access and support future growth. We leveraged our specialist offering across a diverse portfolio of long-term public and private sector clients, while continuing to build new relationships.

Our self-perform and principal contractor capabilities enable us to respond flexibly to market demand and pursue broader, more integrated scopes of work. We can lead as a principal contractor, deliver multidisciplinary packages or contribute specialist capability where it adds the greatest value.

We also strengthened our position through long-term panel appointments, Master Services Agreements and Early Contractor Involvement engagements, while expanding our role across the infrastructure lifecycle.

Managing Director & CEO Report

By connecting our multidisciplinary capabilities, we provide clients with a simpler and more accountable delivery model that can reduce capital costs, de-risk project schedules, improve asset availability and create opportunities to cross-sell our specialist services.

FY2026 performance

Saunders delivered record revenue of $305.6 million, up 42.5% on FY2025. Adjusted EBITDA increased by 5.0% to $9.8 million , reflecting improved profitability in H2 FY2026 and in line with the FY2026 guidance announced in May 2026.

We closed the year with cash and cash equivalents of $29.8 million, record Work in Hand of $571.9 million and a record opportunity pipeline of $5.1 billion. These outcomes reflect a business with greater scale, stronger market access and improved visibility into FY2027 and beyond.

Our opportunity set is strong. Our focus is disciplined conversion, effective mobilisation and reliable execution.

Evidence of momentum

The execution of our strategy is translating into measurable progress across each of our key markets.

Defence & Government: We secured our first head contract with the Australian Department of Defence, four Defence fuel infrastructure contracts and two Indo-Pacific contracts in Malaysia and Japan. These awards strengthened our position in sovereign fuel and critical infrastructure delivery and increased our alignment with long-term investment in Defence capability and fuel resilience.

Water: We successfully completed the integration of Saunders Aqua Metro and secured two 10-year Sydney Water panel agreements in New South Wales. These appointments represent Saunders' first Water panel positions outside Victoria, expanding our access to key utility markets and establishing multi-year recurring earnings opportunities that can be replicated across other regions.

Energy: We continued delivering capital expansion, asset renewal and maintenance programs across major hazardous facilities nationally, supported by a growing portfolio of Master Services Agreements and Early Contractor Involvement engagements. Our long-standing client relationships and specialist fuel infrastructure capability position Saunders to participate in emerging investment in strategic reserves, storage capacity, refinery renewal and minimum stockholding obligations.

Resources & Industrials: We delivered works across four processing expansion projects, reflecting significant capital investment in gold-processing infrastructure and demonstrating our ability to integrate specialist capabilities in remote, complex and operationally demanding environments.

Together, these achievements have expanded our access to larger, longer-term and more strategic projects and programs, while supporting greater earnings resilience over time.

Our priorities for FY2027

In FY2027, we will remain focused on strengthening trusted client partnerships, expanding our role across the infrastructure lifecycle and increasing recurring and resilient earnings.

We will convert our record secured workload and opportunity pipeline with discipline, scale our integrated delivery capability and continue investing in our people, leadership, systems and market presence to support long-term growth.

We will pursue opportunities arising from sustained investment in sovereign Defence infrastructure and fuel resilience, water infrastructure, energy security, commodity-led investment in processing and sustaining infrastructure, while maintaining a clear focus on safe, reliable and profitable delivery.

Saunders enters FY2027 as a more integrated, capable and resilient business. We have record Work in Hand, a record and growing opportunity pipeline and a clear strategy to build earnings resilience and create long-term value across each of our key markets.

I thank our people for their commitment and professionalism, and our clients, partners and shareholders for their continued trust and support.

Angelo De Angelis
Managing Director & Chief Executive Officer

Why we remain confident

Our confidence is underpinned by four enduring advantages.

These advantages align strongly with continued investment across Defence & Government, Water, Energy and Resources & Industrials.

01

High-compliance expertise

Our experience in regulated, security-sensitive and operationally complex environments creates a defensible position that is difficult to replicate.

02

Integrated delivery

Engineering, construction and asset services across the infrastructure lifecycle provide greater accountability, delivery certainty and long-term client value.

03

Trusted partnerships

Long-term relationships drive repeat work, earlier engagement and stronger opportunity conversion.

04

Technical and delivery leadership

Our technical depth and disciplined execution position Saunders to pursue larger and more complex infrastructure programs.

Safety

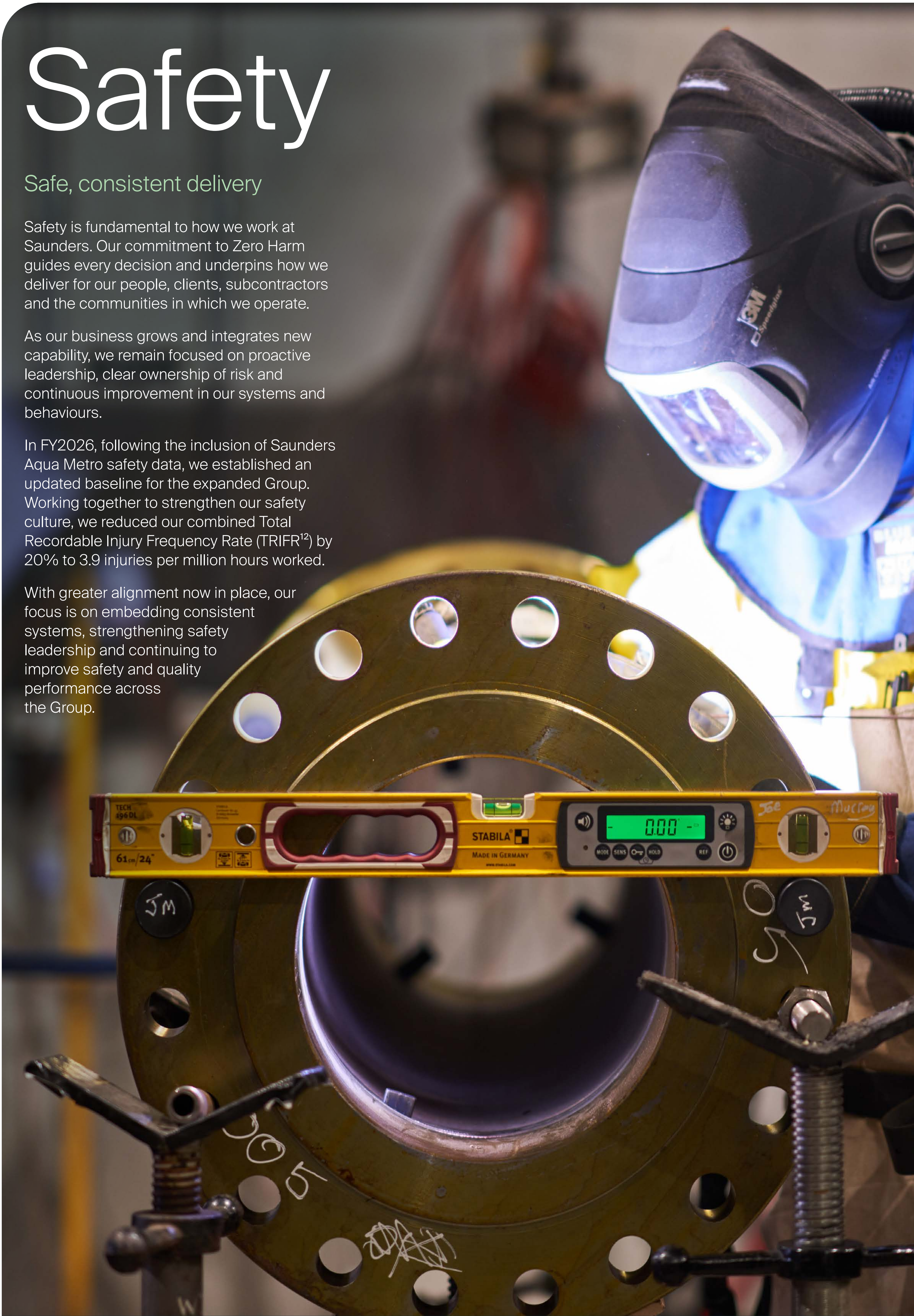
Safe, consistent delivery

Safety is fundamental to how we work at Saunders. Our commitment to Zero Harm guides every decision and underpins how we deliver for our people, clients, subcontractors and the communities in which we operate.

As our business grows and integrates new capability, we remain focused on proactive leadership, clear ownership of risk and continuous improvement in our systems and behaviours.

In FY2026, following the inclusion of Saunders Aqua Metro safety data, we established an updated baseline for the expanded Group. Working together to strengthen our safety culture, we reduced our combined Total Recordable Injury Frequency Rate (TRIFR[12]) by 20% to 3.9 injuries per million hours worked.

With greater alignment now in place, our focus is on embedding consistent systems, strengthening safety leadership and continuing to improve safety and quality performance across the Group.



Safety leadership, consistent systems and shared accountability are supporting safer, more reliable delivery across Saunders

FY2026 Performance

20%
reduction
Combined TRIFR[12]

3.9
TRIFR[12] at
30 June 2026

Certified
ISO 9001, ISO 14001 and ISO 45001

Six years
OFSC accreditation for the maximum permissible period

FY2026 Highlights

TRIFR improvement

Following the inclusion of Saunders Aqua Metro safety data, we established an updated baseline for the expanded Group and reduced our combined TRIFR[12] by 20% to 3.9 injuries per million hours worked.

Certified management systems

All Saunders subsidiaries maintained certification to ISO 9001, ISO 14001 and ISO 45001. During the year, we also commenced integrating Saunders Aqua Metro into the Saunders Integrated Management System.

Together for Safety

Business-unit Plans on a Page and individual Personal Action Plans continued to embed shared accountability, making safety ownership visible, personal and relevant to every role.

Together for Quality

Together for Quality was expanded across the Energy and Resources & Industrials teams, strengthening compliance, defect prevention, workmanship and consistent client outcomes through a shared commitment to operational excellence.

Safety leadership

Visible leadership, early intervention and meaningful conversations strengthen our safety culture every day.

Consistent systems

Aligned standards, processes and expectations across projects, businesses and locations support safe, reliable delivery.

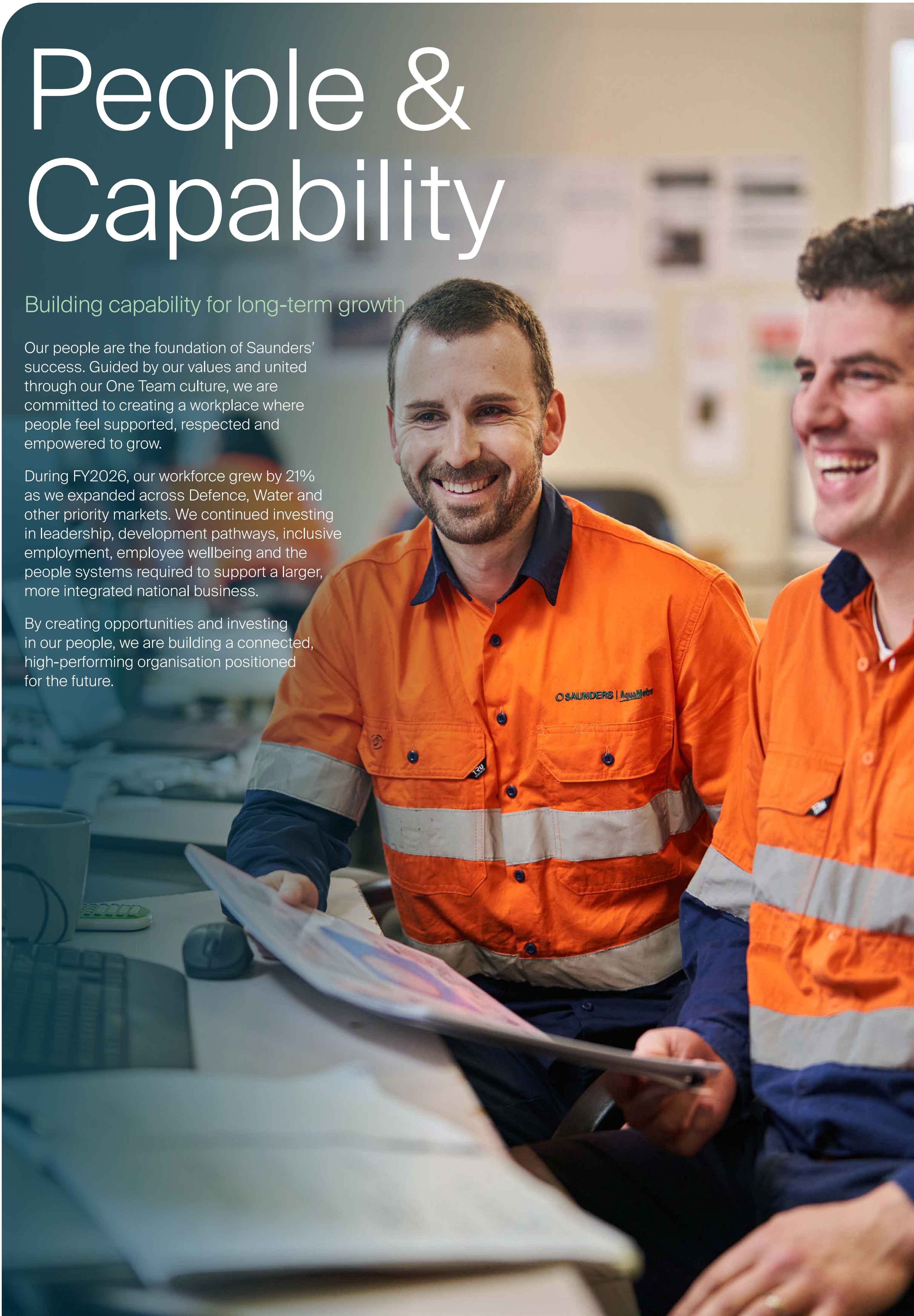
Shared accountability

Everyone has a role in creating safe outcomes.

Continuous improvement

Learning from experience, preventing recurrence and embedding quality drive continuous improvement across the Group.

People & Capability



Building capability for long-term growth

Our people are the foundation of Saunders' success. Guided by our values and united through our One Team culture, we are committed to creating a workplace where people feel supported, respected and empowered to grow.

During FY2026, our workforce grew by 21% as we expanded across Defence, Water and other priority markets. We continued investing in leadership, development pathways, inclusive employment, employee wellbeing and the people systems required to support a larger, more integrated national business.

By creating opportunities and investing in our people, we are building a connected, high-performing organisation positioned for the future.

People & Capability

Development pathways, inclusive employment, wellbeing and One Team culture are strengthening capability across our integrated workforce

FY2026 Performance

585
employees at 30 June 2026

15
graduates in our inaugural Graduate Program

6
apprentices building their careers with Saunders

8
employees recognised for 15-30 years of service

FY2026 Highlights

Graduate development

We welcomed our inaugural graduate cohort of 15 graduates across engineering disciplines into our structured 18-month Graduate Program. During the year, an undergraduate engineer also progressed into the program, demonstrating the strength of our internal career pathways.

Apprenticeship pathways

Six apprentices continued building their careers with Saunders during FY2026, while three completed their apprenticeships and transitioned into permanent roles.

Supporting veteran employment

Saunders joined the Veteran Employment Commitment and was recognised as a Veteran Employment Supporter, reinforcing our commitment to creating meaningful career opportunities for Veterans.

Workforce stability

Two enterprise agreements were successfully renegotiated during FY2026, supporting workforce certainty and continuity without industrial disruption.

Health and wellbeing

We expanded Mental Health First Aid and Contact Officer training while strengthening our approach to psychosocial risk management and employee wellbeing through initiatives that encouraged connection, healthy habits and early support.

Development pathways

Creating opportunities to learn, progress and build long-term careers.

Inclusive employment

Building a workforce that values different experiences, perspectives and backgrounds.

Health and wellbeing

Supporting the physical, mental and psychosocial wellbeing of our people.

One Team culture

Recognising contribution, strengthening collaboration and creating a strong sense of belonging.

Environmental, Social and Governance

Responsible business. Lasting value.

At Saunders, sustainability is about creating lasting value through responsible business practices. Our approach brings together environmental stewardship, ethical governance, reconciliation, responsible procurement and meaningful participation in the communities where we work.

During FY2026, we strengthened environmental governance and reporting, progressed our Innovate Reconciliation Action Plan (RAP), deepened relationships with First Nations businesses and enhanced modern slavery governance and supplier due diligence.

As expectations continue to evolve, our focus remains practical: improving systems, strengthening accountability and supporting better outcomes for our people, clients, communities and shareholders.

Responsible governance, stronger partnerships and ethical business practices are creating lasting value for all our stakeholders

FY2026 Performance

3
partnerships with Supply Nation-certified Indigenous businesses

Innovate
RAP development progressed

Enhanced
due diligence across suppliers and modern slavery risk

Stronger
reporting, environmental governance and data improved

FY2026 Highlights

Environmental governance and reporting

We strengthened the collection, governance and oversight of environmental information across the Group. This work is improving performance visibility and preparing Saunders for evolving climate and sustainability reporting requirements.

Progressing our Innovate RAP

We continued progressing towards our Innovate Reconciliation Action Plan, with a focus on strengthening cultural protocols, building meaningful relationships and creating employment, development and procurement opportunities for First Nations peoples and businesses.

Indigenous business partnerships

We continued working with three Supply Nation-certified businesses, building on partnerships established through our reconciliation journey. GOAL Indigenous Services supports Indigenous recruitment, apprenticeships, traineeships and employment pathways. Countryman Safety supplies workwear and personal protective equipment, while Muru Office Supplies supports metropolitan, regional and project offices with stationery and office products.

Modern slavery and ethical procurement

We strengthened modern slavery governance, training and supplier due diligence to support more informed procurement decisions and greater transparency across our operations and supply chain.

Responsible governance

Clear accountability, ethical conduct and transparent decision-making.

Environmental stewardship

Improving data, oversight and environmental performance across our operations.

First Nations partnerships

Building respectful relationships and creating employment, development and procurement opportunities.

Community and supply-chain value

Supporting regional participation and responsible practices across our business and supply chain.

Markets

Saunders is focused on four key markets where Australia is investing for the long-term: Defence & Government, Water, Energy and Resources & Industrials.

Together, these markets support the critical infrastructure that Australia relies on every day. They are underpinned by sovereign priorities, population growth, infrastructure renewal, asset resilience and continued investment in production and processing capacity.

Our market strategy is focused and disciplined. Each market has distinct investment drivers and delivery cycles, but they share a common requirement: experienced partners that can operate safely in complex, high compliance and live environments.

With established positions, trusted client relationships, and integrated capabilities, Saunders has clear pathways to participate in larger programs, broaden our role across the asset lifecycle, and increase repeat and recurring work.

Delivering where Australia invests

Market composition

48%
Water

29%
Energy

14%
Defence & Government

9%
Resources & industrials

Market diversification continues to generate opportunity pipeline growth.

Why these markets matter

Long-duration demand

Investment is supported by national priorities, utility programs, ageing infrastructure and ongoing requirements for expansion, renewal and sustainment.

Portfolio resilience

Government programs, utility frameworks, brownfield asset renewal and resources investment move through different cycles, supporting a more balanced opportunity set over time.

Multiple revenue pathways

Saunders participates through major projects, multi-year programs, Panels, Master Services Agreements, maintenance and embedded asset services.

Growth from established positions

Our focus is on converting the opportunity already in front of us - deepening client relationships, expanding into broader scopes and increasing participation across the infrastructure lifecycle.

Emerging markets

Saunders will continue to utilise its capability selectively in adjacent infrastructure markets where a requirement for high-compliance delivery expertise provides a competitive advantage.

This may include sectors such as data centres, hospitals and airports, without diluting our focus on our four key markets.

$5.1bn
Record opportunity pipeline

Defence & Government

Expanding our role in critical Defence infrastructure

Saunders' Defence & Government position strengthened in FY2026, with new contract wins demonstrating our progression from specialist fuel infrastructure into broader, integrated Defence delivery.

Our work now spans aviation fuel infrastructure, operational fuel systems and critical base upgrades, supported by trusted relationships with the Australian Department of Defence, Tier 1 contractors, government clients and global delivery partners.

With approximately $350 million in current and completed Defence projects, a national footprint including remote and northern Australia, sovereign delivery capability and experience in live, operational and security-sensitive environments, Saunders is positioned to participate in larger and more complex Defence programs.

FY2026 Highlights

$20.0 million

Secured aviation fuel infrastructure contract at RAAF Base Learmonth

$9.0 million

Secured fuel systems upgrade at RAAF Base Darwin

$23.0 million

Secured head contract with the Australian Department of Defence to deliver fuel infrastructure works on the Australian Leased Facilities at RMAF Base Butterworth, Malaysia (announced in July 2026)

Expanded

beyond specialist tank construction into integrated fuel and critical base infrastructure, including delivery of mission-critical data infrastructure at a secure government facility in remote Australia

Continued

delivering bridge and civil infrastructure for regional government clients

From fuel infrastructure to broader Defence programs

Established position

Saunders has an established track record delivering critical fuel and water infrastructure across the Defence estate. Our experience operating in live, high-compliance environments provides a strong foundation for continued participation in Australia's long-term investment in sovereign capability, fuel resilience and Defence estate infrastructure.

Why our role is expanding

Clients are increasingly seeking partners that can de-risk delivery by bringing multiple capabilities together in complex Defence environments. Saunders' integrated model reduces interfaces, provides clearer accountability across delivery and supports broader participation in critical Defence programs.

Pathway to sustainment

Over time, we see a pathway to increase our participation in repeat programs, sustainment and asset services. We will continue deepening relationships with the Australian Department of Defence, delivery agencies, Tier 1 contractors and global partners while building the systems, capability and capacity required to support larger national programs and selective international opportunities.

We will also continue strengthening our delivery presence and supply-chain relationships across northern Australia, where long-term investment in base resilience, utilities and critical infrastructure is expected to be concentrated.

~$350m
Defence experience Current and completed Defence projects

Integrated
Self-perform model Engineering through to commissioning and asset support

Remote
Defence delivery Proven capability across operational and remote Defence environments

Sovereign
Capability Australian fabrication and off-site manufacturing capacity

Certified
and accredited OFSC accreditation and DISP membership

RAAF Base Learmonth Fuel Infrastructure

Project Profile

Capability	Fluid Storage & Transfer Infrastructure; Civil & Water Infrastructure; Industrial Automation & Electrical
Value	$20.0 million
Client	CPB Contractors
Location	Learmonth, Western Australia

Saunders was awarded a $20.0 million contract to supply, install and commission approximately 3.5 kilometres of in-ground aviation fuel hydrant piping at RAAF Base Learmonth. The scope includes associated civil, electrical and control systems, together with an airfield-lighting emergency-generator fuel system.

The project demonstrates Saunders' integrated self-perform delivery model, bringing together civil, mechanical, electrical, automation and commissioning capability in a remote, operational and high-compliance Defence environment.

Water

Scaling a national water infrastructure platform

The integration of Saunders Aqua Metro has materially expanded Saunders' position in Australia's growing water infrastructure market. The acquisition represents an important milestone in Saunders' long-term strategy to diversify its infrastructure portfolio, expand its national presence and increase exposure to resilient, long-term end markets supported by government investment and population growth.

Our expanded Water business brings together a national water infrastructure platform with enhanced engineering, construction and project delivery capabilities across the full asset lifecycle. The broadened service offering now offers clients integrated solutions spanning water and wastewater treatment facilities, pump stations, pipelines, reservoirs, storage assets, asset renewals and rehabilitation works. This broader capability enhances the Group's ability to deliver complex multidisciplinary projects and multi-year programs of work within high-compliance market.

With a growing $2.3 billion Water opportunity pipeline, Saunders is building a scalable model for long-term utility partnerships, broader integrated delivery and selective expansion into priority regions, including Victoria, New South Wales and Queensland.

The quality and diversity of this pipeline reflect our long-established relationships with Australia's major water authorities and government agencies, together with our proven capability to successfully deliver complex water infrastructure projects safely, efficiently and to a high standard of quality.

FY2026 Highlights

Completed
integration of Saunders Aqua Metro, strengthening capability and scale in water infrastructure nationally

Secured
two 10-year Sydney Water Panel Agreements

$10.4 million
Secured water infrastructure contract for the Wilton Integrated Services Program in South West Sydney

$20 million
Secured Civil and Bridge contract at a Council and government agency

Expanded
access to repeat, program-based utility work across Victoria and New South Wales

Advanced
major water and wastewater projects in complex, live environments

Maintained
a record pipeline of secured work across water and wastewater infrastructure projects, providing strong forward revenue visibility

Expanded
multidisciplinary capabilities across civil, structural, mechanical and process infrastructure to support increasingly complex project delivery

From regional strength to national scale: Building on Victorian foundations, delivering national growth

Established platform

Long-term client relationships remain fundamental to our growth vision. Our established partnerships with leading water authorities significantly strengthen the Group's strategic client base and provide recurring opportunities through long-term framework agreements.

Why our position is strengthening

Australia's water sector is entering a sustained period of investment, driven by population growth, ageing infrastructure, network resilience, climate adaptation and regulated utility programs. Utilities are increasingly seeking partners that can deliver broader scopes with greater certainty across design, construction, program delivery, maintenance and the asset lifecycle.

Long-term utility partnerships

Our established positions with water authorities in Victoria and New South Wales - including Yarra Valley Water, Greater Western Water, Melbourne Water, South East Water, Sydney Water and Barwon Water - provide a strong foundation for continued growth.

We will deepen relationships with existing utilities, increase participation in larger and more integrated programs and expand repeat and program-based work. Queensland is the next priority growth market, followed by selective expansion into other regions where sustained infrastructure investment and local partnerships support the Saunders model.

~$600m
Water experience
Current and completed Water projects

Long-term
Utility relationships
Five partnership contracts under delivery across Victoria and New South Wales

$2.3bn
current Water opportunity pipeline
Approximately 48% of the Group's opportunity pipeline (30 June 2026)

Integrated
self-perform water capability Process, civil, mechanical, electrical, automation and program delivery

National
Building a national platform across New South Wales, Victoria, Queensland and Western Australia and ACT.

Siddeley Street Sewer Project

Project Profile

Capability	Water & Civil Infrastructure
Value	$68.1 million
Client	Greater Western Water
Location	Melbourne, Victoria

Saunders Aqua Metro is delivering a major sewer infrastructure upgrade to support Melbourne's growing population and improve the long-term capacity and resilience of the CBD network.

The project includes approximately 750 metres of new sewer pipeline beneath Flinders Lane, Spencer Street, Siddeley Street and Wurundjeri Way, together with five new shafts ranging from approximately eight to 12 metres in depth.

Once complete, the new infrastructure will double the capacity of the existing network, parts of which date back to the late 1800s.

Energy

Embedded in critical fuel and energy infrastructure

Energy is one of Saunders' longest-standing and most embedded markets. For decades, we have supported leading fuel and energy clients in complex, operational and high-compliance environments, where safety, reliability and continuity are critical.

Our position is built on long-term relationships, Master Services Agreements, repeat project work and earlier involvement through engineering and early contractor involvement. This gives Saunders a strong platform to support clients across fuel infrastructure, brownfield upgrades, sustaining capital, maintenance and major project delivery.

Long-term investment in fuel security, supply resilience, gas infrastructure and the renewal of ageing assets aligns strongly with Saunders' established capability. We will also selectively pursue process-intensive energy transition opportunities that are commercially viable and closely aligned with our engineering and construction strengths.

FY2026 Highlights

$16.4 million
Secured fuel-storage refurbishment contract at Ampol's Lytton Refinery

Continued
delivery of the five-year Mobil Altona asset-maintenance program

Delivered
brownfield upgrades and sustaining-capital works across live energy facilities

Expanded
early contractor involvement and engineering-led delivery

From trusted relationships to recurring lifecycle work

Established national position

Saunders supports critical fuel and energy assets through new infrastructure, brownfield upgrades, shutdowns, refurbishment and ongoing maintenance. Our specialist capability and experience working in regulated operational environments create high barriers to entry and support long-term relationships with major asset owners.

Recurring market access

Positions under Master Services Agreements, frameworks and multi-year maintenance programs provide access to repeat work and greater visibility of future opportunities. These relationships also allow Saunders to engage earlier, support scope development and identify risk before construction begins.

Recurring lifecycle opportunity

Over time, we see a pathway to expand further across brownfield upgrades, asset renewal and recurring lifecycle services spanning storage, piping, automation, electrical and maintenance.

This established platform also provides a disciplined pathway to build capability in gas processing and distribution infrastructure and selected process-intensive transition projects.

$1.48bn
current Energy opportunity pipeline, 29% of the Group pipeline

70+
years specialist hydrocarbon infrastructure delivery experience

Live environments
Specialist brownfield capability

Lifecycle delivery
Engineering through to maintenance

Ampol Lytton Refinery

Project Profile

Capability	Fluid Storage and Transfer Infrastructure
Value	$16.4 million
Client	Ampol
Location	Lytton, Queensland

Saunders was awarded a $16.4 million contract to refurbish existing fuel-storage infrastructure at Ampol's Lytton Refinery. Awarded under Saunders' long-standing Master Services Agreement with Ampol, the project involves complex refurbishment works within a live refinery environment.

The project draws on our specialist tank capability, disciplined planning and experience working around operational assets. It demonstrates how trusted client relationships and reliable delivery create repeat opportunities while supporting the renewal and resilience of critical Australian fuel infrastructure.

Resources & Industrials

Targeted growth in processing and industrial infrastructure

Resources & Industrials is a cyclical market, with investment driven by commodity conditions and client capital programs. Saunders is focused on defined niches where our specialist tank, process infrastructure, electrical and controls, and remote-delivery capability provide a clear advantage.

During FY2026, repeat work at Kalgoorlie Consolidated Gold Mines (KCGM) and continued growth across Western Australia demonstrated how disciplined delivery can create opportunities to deepen client relationships, expand into adjacent scopes and establish a stronger regional platform.

Our integrated capability enables Saunders to support gold-processing brownfield expansions, industrial fluid storage and transfer infrastructure, plant utilities, electrical and control systems, shutdowns, maintenance and ongoing asset services.

FY2026 Highlights

KCGM

Expanded our KCGM presence through successive tank and process-infrastructure packages across CIL3, CIL2, Tank A and CIL4

Continued

delivering brownfield upgrades, shutdowns and sustaining-capital works in live operational environments

Strengthened

our Western Australian delivery footprint and remote mobilisation capability

Secured

Kyalite Road Realignment project supporting the Tomingley Gold Mine expansion

Targeted niche growth. Growing with clients.

Focused where our capability creates an advantage

Saunders supports resources and industrial clients where processing requirements, sustaining-capital investment and asset renewal create demand for specialist infrastructure delivery.

Our focus is on selected niches where our field-constructed tank, process infrastructure, industrial fluid storage, electrical and controls capability is strongly aligned with client needs.

Growing with our clients

Our growing presence at KCGM demonstrates how safe, reliable delivery can create repeat opportunities and broaden our role over time. Beginning with the CIL3 mechanical infrastructure upgrade, our involvement has extended across additional tank and process-infrastructure packages, including CIL2, Tank A and CIL4.

This activity also provides a regional platform from which to pursue further processing, maintenance and systems-integration opportunities across the Goldfields.

From projects to site-based programs

Continued investment in processing capacity, industrial fluid infrastructure, brownfield upgrades, shutdowns and asset renewal creates a pathway for Saunders to move from discrete construction packages into larger integrated scopes, sustaining-capital programs, maintenance, automation and recurring lifecycle services.

$80m+
successive KCGM packages

6 projects
CIL construction and refurbishment projects secured in WA over 18 months

~18 months
Repeat delivery and expanding scope

$431m
Resources & Industrials opportunity pipeline

Project Profile

KCGM program of works

Capability	Fluid Storage & Transfer Infrastructure; Structural, Mechanical & Piping
Value	Approximately $80–90 million across successive packages
Clients	Northern Star Resources & Primero
Location	Kalgoorlie, Western Australia

Saunders' involvement at KCGM has grown through a series of major tank and process-infrastructure packages.

Following the CIL3 mechanical infrastructure upgrade, our scope expanded across CIL2, Tank A and the CIL4 Growth Project. The work includes the construction, reconstruction and upgrade of carbon-in-leach and process tanks, together with associated structural steel, pipework and launders.

Together, these packages represent approximately $80–90 million of work over an 18-month period, demonstrating how safe and reliable delivery can create repeat opportunities and expand our role with clients.

The program also highlights Saunders' ability to mobilise multidisciplinary teams and deliver complex infrastructure in remote, operational and high-compliance mining environments.

Governance, Financial Report and Corporate Information

Directors' Report

The Directors present their report on Saunders International Limited ("Saunders" or the "Group") for the financial year ended 30 June 2026 and the Independent Audit Report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors Report as follows:

Directors

The Directors as at the date of this Directors' Report are:

- **Nicholas Yates**
- **Angelo De Angelis** (appointed executive director
  from 22 September 2025)
- **Greg Fletcher**
- **Andrew Bellamy** (appointed non executive director from 23 September 2025)
- **Mark Benson** (resigned as executive director 31 December 2025)

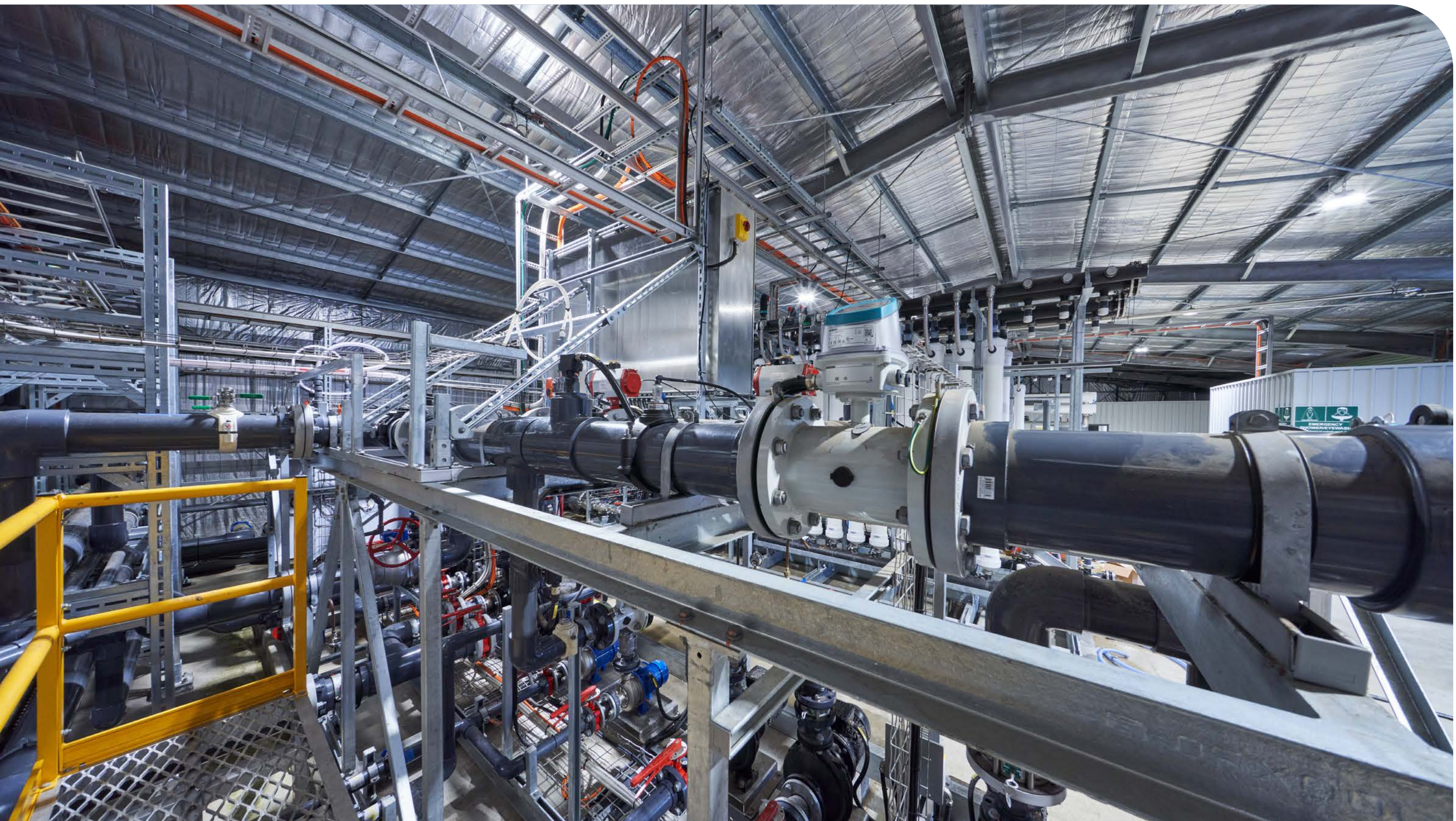
Unless stated otherwise the above-named directors held office during the whole of the financial year and from the end of the financial year up to the date of this report.

Company Secretary

Alex Dunne has been Co-Company Secretary since 26 August 2024. Alex is a Chartered Accountant and holds an MBA.

Principal Activities

Saunders is a multidisciplinary Australian company providing engineering, construction and industrial asset services. During the financial year, the Group's principal activities included delivering liquid storage and transfer, structural, mechanical and piping (SMP), industrial automation and electrical, civil infrastructure and industrial asset services to leading organisations across Australia and the Pacific region. These activities were performed across the key markets of Defence & Government, Water, Energy and Resources & Industrials.



Review of Operations

A summary of the revenues and results is as follows (unaudited)	2026 $'000	2025 $'000
Revenue	305,628	214,523
(Loss)/profit before income tax	(740)	3,182
Income tax expense	(195)	(1,105)
(Loss)/profit for the year attributable to shareholders of Saunders International Limited	(935)	2,077
Addback: Impact of expenses relating to acquisitions and integration	2,260	1,166
Non-statutory adjusted profit attributable to the members of Saunders International Limited	1,325	3,243

Reconciliation of profit before income tax to EBITDA (unaudited)		
(Loss)/profit before income tax	(740)	3,182
Add:		
Net interest expense	1,099	916
Depreciation of property, plant and equipment	2,515	1,745
Depreciation of right of use assets	2,089	2,291
Amortisation	2,539	-
EBITDA	7,502	8,134
Addback: Total impact of expenses relating to acquisitions and integration	2,260	1,166
Adjusted EBITDA	9,762	9,300

Reconciliation of profit after income tax to NPATA (unaudited)	30 June 2026 $'000	30 June 2025 $'000
(Loss)/profit after income tax	(935)	2,077
Addback: Total impact of expenses related to acquisitions and integration	2,260	1,166
Addback: Amortisation	2,539	-
Non-statutory NPATA	3,864	3,243

Saunders' revenue for the year was $305.6 million, an increase of $91.1 million or 42.5% (2025: $214.5 million). The non-statutory NPATA was $3.9 million, an increase of $0.6 million or 19.1% (2025: $3.2 million adjusted), adjusted EBITDA was $9.8 million, an increase of $0.5 million or 5.0% (2025: $9.3 million adjusted). Adjusted earnings per share excluding amortisation for the year was 2.85 cents (2025: 2.68 cents adjusted).

Saunders has strengthened its financial position at year end with net assets of $63.4 million, an increase of $11.1 million or 21.3% (2025: $52.3 million). Cash improved to $29.8 million on 30 June 2026, an increase of $7.7 million or 35.0% (2025: $22.1 million).

Capital structure

The Group's capital structure comprises contributed equity, retained earnings and available debt facilities. The Board's objective is to maintain an appropriate capital structure that supports the Group's strategic objectives while providing financial flexibility and preserving shareholder value.

The Group had access to bank facilities comprising working capital, performance guarantee and bonding facilities to support its project delivery activities.

The Group continually reviews its capital structure having regard to forecast working capital requirements, project opportunities, capital expenditure requirements and prevailing market conditions.

Capital Funding and Treasury Policies

The Group's treasury function is focused on preserving capital, maintaining liquidity and ensuring access to adequate funding to support operational and strategic requirements.

Treasury activities are governed by Board-approved policies which seek to:

- Maintain sufficient liquidity to meet operational commitments;
- Safeguard the Group's assets and cash resources;
- Manage banking, counterparty and credit risks;
- Ensure compliance with financial covenants and banking arrangements.

The Group does not engage in speculative treasury activities. Surplus cash balances are invested in accordance with approved investment parameters and liquidity requirements.

Cash from Operations and Other Sources of Capital

Operating cash flows were primarily driven by project execution activities, working capital management and profitable trading outcomes. The principal sources of capital available to the Group include:

- Cash generated from operations;
- Existing cash reserves;
- Committed banking facilities;
- Performance and bonding facilities supporting project delivery activities.

During the reporting period, operating cash flows were utilised to:

- Fund ongoing project delivery activities;
- Invest in plant and equipment;
- Support business development and tendering activities;
- Meet taxation and employee obligations.

Outlook

Saunders is well positioned to benefit from the significant capital investment expected across Australia's critical infrastructure sectors over the coming decade. Increased expenditure is providing strong tailwinds for growth across all of its key markets and supporting demand for specialist capabilities in complex, high-compliance operating environments.

The opportunity pipeline reflects Saunders' strengthened market position, repositioned brand, integrated service offering and expanded delivery capabilities across the infrastructure lifecycle. Long-term client relationships, multi-year panel arrangements and Master Services Agreements continue to provide earlier engagement, enhanced visibility and improved positioning for major projects, including Early Contractor Involvement activities.

Saunders' balanced exposure to the Defence & Government, Water, Energy, and Resources & Industrials key markets, positions the Group to benefit from significant public and private sector investment in Australia's critical infrastructure. While the outlook is positive it is not without risk, including project timing, weather conditions and government funding priorities.

The Group will continue to leverage its multidisciplinary capabilities across key growth sectors:

Defence & Government: driven by anticipated acceleration in fuel infrastructure resilience investment

Water: underpinned by ongoing national investment in asset renewal and expansion programs

Energy: supported by continued focus on domestic fuel security and energy transition

Resources & Industrials: strengthened by the demand in the gold sector

Employees

The Group's total permanent workforce employed by Saunders was 585 at 30 June 2026, (2025: 484). Saunders remains focused on investing in people and capability to ensure the achievement of our vision and strategic objectives.

The directors wish to take this opportunity to thank the entire Saunders Team for their continued dedication and delivering the financial results through a challenging year.

Safety

As our business continues to grow, we remain focused on strengthening our safety culture through proactive leadership, disciplined delivery, risk ownership and continuous improvement.

In FY2026, the Group reduced its Total Recordable Injury Frequency Rate (TRIFR) by 20% to 3.9 injuries per million hours worked. Saunders also received accreditation under the Office of the Federal Safety Commissioner scheme for the maximum permissible period of six years, reinforcing our commitment to safe and responsible delivery.

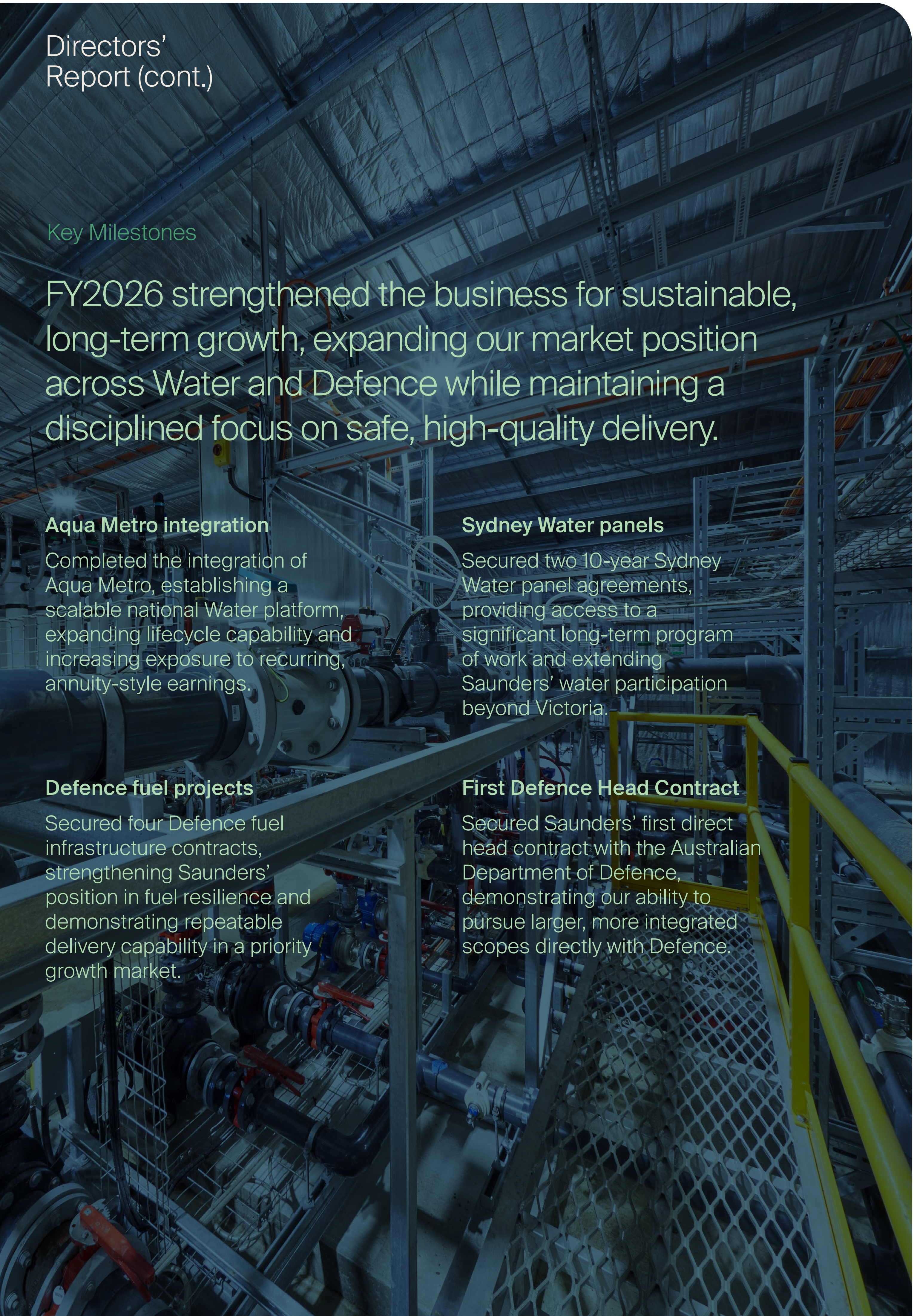
Environment, Social and Governance

In FY2026, we continued to strengthen our environmental, social and governance practices across the Group. We embedded our first Reflect Reconciliation Action Plan, enhanced modern slavery governance and supplier due diligence, and strengthened environmental governance, data capture and reporting across our operations and supply chain.

We are progressing toward an Innovate RAP, deepening engagement with First Nations businesses and communities, and investing in leadership, workforce capability and culture. These initiatives support responsible business practices, stronger governance and sustainable long-term growth.

Earnings Per Share

The basic and diluted earnings per share are calculated using the weighted average number of shares. This shows the statutory basic earnings per share of 0.69 cents loss (2025: 1.72 cents gain) and statutory diluted earnings per share of 0.69 cents loss (2025: 1.69 cents gain). After adjusting the statutory net profit after tax for the impact of acquisition and integration related expenses and excluding amortisation, the adjusted basic earnings per share excluding amortisation improves to 2.85 cents (2025: 2.68 cents adjusted) and the adjusted diluted earnings per share excluding amortisation improves to 2.78 cents (2025: 2.64 cents adjusted).



Key Milestones

FY2026 strengthened the business for sustainable, long-term growth, expanding our market position across Water and Defence while maintaining a disciplined focus on safe, high-quality delivery.

Aqua Metro integration

Completed the integration of Aqua Metro, establishing a scalable national Water platform, expanding lifecycle capability and increasing exposure to recurring, annuity-style earnings.

Sydney Water panels

Secured two 10-year Sydney Water panel agreements, providing access to a significant long-term program of work and extending Saunders' water participation beyond Victoria.

Defence fuel projects

Secured four Defence fuel infrastructure contracts, strengthening Saunders' position in fuel resilience and demonstrating repeatable delivery capability in a priority growth market.

First Defence Head Contract

Secured Saunders' first direct head contract with the Australian Department of Defence, demonstrating our ability to pursue larger, more integrated scopes directly with Defence.

Directors Attendance at Meetings

Attendance at Meetings

The following table sets out the number of meetings in the year to 30 June 2026, held during the period that the individual was a director and the number of meetings attended.

	Directors Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Nicholas Yates	7	7	3	3	2	2
Angelo De Angelis[1]	5	5	2	2	1	1
Mark Benson[2]	4	4	1	1	1	1
Greg Fletcher	7	7	3	3	2	2
Andrew Bellamy[3]	6	6	2	2	1	1

1. Appointed as Executive Director on 22 September 2025 and appointed as Managing Director & Chief Executive Officer on 1 October 2025
2. Resigned as Chief Executive Officer on 30 September 2025 and resigned as an Executive Director on 31 December 2025
3. Appointed as Non Executive Director on 23 September 2025

Individual Directors and the Board also hold regular calls with the Managing Director and Chief Executive Officer and other executives to stay abreast of current matters between meetings. These meetings, for example, may consider material transactions or projects and are held to support the decision-making of the full Board in relation to those matters. These update calls and meetings are not included in the above table.

Dividend

The Board declared on 27 August 2026 that there will be a final dividend payable of 1.00 cent per share fully franked, resulting in total dividends for the financial year of 1.00 cent per share (FY2025: 2.25 cents).

The Board has previously decided to deactivate the (DRP) Dividend reinvestment plan and it will not be offered in this dividend payment.

Information on Directors

Information on the directors who held office during and since the end of the financial year is as follows:

Directors	Qualifications, Experience and Special Responsibilities	Relevant Interest in Shares of Saunders International Limited at the date of this report
Nicholas Yates	Non-Executive Chair from 1 July 2023 Member of the Audit & Risk Committee, Member of the Remuneration Committee and Director since 16 September 2020 Over 35 years of relevant industry experience Bachelor of Engineering (BE) Other listed company directorships in the last 3 years • Board Chair - BSA Limited (resigned 19 June 2026)	35,211
Angelo De Angelis	Managing Director and Chief Executive Officer Appointed Executive Director on 22 September 2025 and appointed as Managing Director & Chief Executive Officer on 1 October 2025, having served as Chief Operating Officer since June 2021. Angelo has over 30 years of executive and industry experience across Australia, the Indo-Pacific and North America. Prior to joining Saunders, he held senior leadership roles with Ventia, Broadspectrum and Transfield Services. He has also served on Board Committees focused on Safety, Environment and Indigenous Advisory matters across ASX-listed and not-for-profit organisations.	95,658
Greg Fletcher	Non-Executive Director Chairman of the Audit & Risk Committee and Member of the Remuneration Committee, Director since 1 July 2015 Bachelor of Commerce, Chartered Accountant • Chair of Audit and Risk Committees at the Western Sydney Local Health District, Bradfield Development Authority and Advanced Manufacturing Readiness Facility, Transport for New South Wales and the NSW Clinical Excellence Commission and NSW Agency for Clinical Innovation. • Member of the NSW Health Infrastructure Audit & Risk Committees Other listed company directorships: • Co-Vice Chairman, Lead Independent Director, Audit and Risk Committee Chair and Remuneration and Nomination Committee Member at Yancoal Australia Limited	5,599
Andrew Bellamy	Non-Executive Director Chairman of the Remuneration Committee and Member of the Audit and Risk Committee since September 2025. Andrew is an experienced business leader who retired as CEO and Managing Director of Austal Ltd (ASX:ASB) in 2016, after overseeing its growth into a global defence prime contractor and Australia's largest defence exporter. He previously held senior leadership roles in the oil and gas industry with Honeywell and ICI across North America, Europe, the Middle East and Asia.	37,500
Mark Benson (resigned 31 December 2025)	Executive Director Managing Director and Chief Executive Officer since 10 August 2015, resigned 30 September 2025. Executive Director since 1 October 2025, resigned 31 December 2025. AdvDipMan, AdvDipProjMgt, GAICD Over 30 years of relevant industry experience	3,954,008

Audited Remuneration Report

This Remuneration Report, which forms part of the Directors' Report, contains information about the remuneration of Saunders International Limited's directors and its key management personnel for the financial year ended 30 June 2026. The Remuneration Report sets out, in accordance with section 300A of the Corporations Act: (i) the Group's governance relating to remuneration, (ii) the policy for determining the nature and amount or value of remuneration of key management personnel; the various components or framework of that remuneration; the prescribed details relating to the amount or value paid to key management personnel, as well as a description of any performance conditions; (iii) the relationship between the policy and the performance of the Group.

Key management personnel are the non-executive directors, the executive directors and employees who have authority and responsibility for planning, directing and controlling the activities of the entity.

Remuneration Policy and Governance

The Board of Directors, through the Remuneration Committee, review and approve remuneration of the non-executive directors, the managing director and key management personnel.

Remuneration policy is determined by the needs of the Group and the individual talents, capabilities and experience of relevant executives and the need to attract and retain talent are considered important factors in assessing remuneration.

Non-Executive Directors

Non-executive directors are paid fees and, where applicable, compulsory superannuation contributions. The current fees are based on the level of fees for comparable listed companies and were reviewed during the year. The non-executive directors cannot be granted options and cannot participate in the Employee Share Plan or the Performance Rights Plan.

Managing Director

The managing director is remunerated on a salary package basis, which is a component of a formal employment contract. The salary package is considered to be appropriate for the experience and expertise needed for the position and is comparable to other similar sized companies and operational areas of larger companies. The salary package contains a fixed component and a variable short term incentive (STI). The STI bonus is based on an annual performance appraisal conducted by the Remuneration Committee of the Board of Directors. The performance is measured against a range of objectives set annually by the Board. The important objectives are safety, quality, quantitative Group financial performance and certain other (subjective and objective) criteria.

The managing director has also participated in the Employee Share Plan and the Performance Rights Plan. Angelo De Angelis holds 152,640 options within the Employee Share Plan and 793,447 performance rights under the Saunders Performance Rights Plan.

Key Management Personnel

The directors and other key management of the consolidated entity during or since the end of the financial year were:

Non-executive directors	Position
Nicholas Yates	Chair, non-executive director
Greg Fletcher	Non-executive director
Andrew Bellamy (appointed 23 September 2025)	Non-executive director
Executive officers	**Position**
Angelo De Angelis (appointed 22 September 2025)	Managing Director and Chief Executive Officer
Alex Dunne	Company Secretary, Chief Financial Officer
Mark Benson (resigned 31 December 2025)	Executive director

Audited Remuneration Report (Cont.)

Key management personnel are remunerated based on a number of factors, including experience, qualifications, job level and overall performance of the company and individual. The remuneration includes a variable STI, capped at 0%-55% of salary component. This incentive rewards the key management personnel achieving: financial and operational key performance indicators; progress with the delivery of the Group's business plan and strategic objectives; and specific goals in relation to the development of people within the Group and its profile within the business community.

Examples of key performance indicators measured to assess STI for the Key Management Personnel and Managing Director include:

- Achievement of target work in hand levels at 30 June of each year to ensure the sustainability of revenue in subsequent years;
- Targets set in relation to the achievement of the Group's business plan such as the diversification of the business and entry into new markets; and
- Targets set for safety performance based on TRIFR

These indicators form approximately 20% of assessable STI with the remaining 80% focused on the Financial Performance of the Group, EBIT and Cash at hand.

Long-Term Incentive and the Performance Rights Plan

The Board of Directors have considered the issue of long-term incentive as a component of the remuneration of executive directors and key management personnel.

Saunders operates two Long-Term Incentive ("LTI") plans, which are described below:

- Employee Share Plan
- Performance Rights Plan

As of the date of this report a number of executive officers own shares in the Group or hold interests via the Employee Share Plan and the Performance Rights Plan. The breadth and depth of share ownership fosters an alignment of objectives between shareholders and directors and management of the Group.

Employee Share Plan

Under the Employee Share Plan (ESP), the Group provides interest-free loans to employees to acquire shares in Saunders International Limited, at a specified price per share. The loans are secured by the shares acquired by the eligible employees. The shares will vest and the loans will be repaid upon a specified anniversary of the issue of the shares. If an eligible employee's employment with the Group is terminated prior to the specified anniversary of the issue of the shares, the shares will be forfeited and the Group will be entitled to the total amount raised pursuant to the divestment of the shares. The shares are accounted for as in-substance options.

Each employee share option converts into one ordinary share of Saunders International Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry a right to dividends but not voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the year, no options were granted under the ESP. In addition, employees hold an interest in 448,043 shares under the ESP.

Performance Rights Plan

The Saunders International Rights Plan was approved by the Board and approved by shareholders at the Annual General Meeting in November 2025.

The features of the long-term incentive comprise the grant of equity in the form of Performance Rights which vest over a three-year period. The maximum number of Performance Rights will vest only if stretch objectives for each tranche are achieved. Half of the Performance Rights will vest if the on- target objectives are achieved. The end of the measurement period for a tranche of Performance Rights can be extended by up to two years at the Board's discretion if significantly less than target vesting would have been achieved for that tranche at the end of the measurement period, adjusted for the pro-rata increase in hurdles to take into account the additional time. The two vesting conditions that will be used will be relative total shareholder return (RTSR) and normalised earnings per share growth (NEPSG).

Audited Remuneration Report (Cont.)

RTSR will be measured by comparing the Group's TSR over the measurement period with the TSRs achieved by companies that are in a comparator group and remain listed on the ASX. TSR is the percentage return generated from an investment in a Group's shares over the measurement period assuming that dividends are reinvested into the Group's shares.

NEPSG will be assessed as the compound annual growth rate (CAGR) reflected in the increase in adjusted earnings per share (EPS) from the base year. Adjusted EPS will exclude specific one off or abnormal items by the Board at its discretion.

The vesting scale applied to the tranches are subject to objective measurement of Saunders performing relative to the comparator group and NEPSG, as appropriate, with the vesting scale ranging continuously from very poor performance (CAGR of 5%), to on-target performance (CAGR of 10%), to very good performance (CAGR of 15%).

The long-term incentive is aimed at aligning remuneration with the longer-term performance of the Group and retaining the long-term services of the key management personnel.

During the year 377,112 Performance Rights were granted to the CEO under the LTI Plan. The aggregate fair value of the Performance Rights granted is $172,496 as set out on page 40. A further 161,058 Performance rights were granted to the CFO under the LTI Plan. The aggregate fair value of the Performance Rights granted to the CFO is $73,670 as set out on page 40. A further 318,288 Performance Rights were granted to the Executive Director under the LTI Plan. The aggregate fair value of the Performance Rights granted to the Executive Director is $145,589 as set out on page 40.

Key Terms of Employment Contracts

The remuneration component of the agreement is in line with relevant industry comparables. The variable component (Performance Bonus) can range anywhere between 0% to 55% of the fixed component based on performance measured against a range of key performance indicators and targets, set annually by the directors. The attainment of realistically achievable performance and targets on a weighted average measure would result in a bonus of 27.5% of the fixed component and bonus above and below this would result from overall superior or poorer performance.

The executive service agreement contains the following key terms.

Annual Salary	Total fixed remuneration for the Managing Director and Chief Executive Officer of $600,000
Performance Bonus	Variable, ranging from 0% to 55% of total fixed annual remuneration, based on performance measured against a range of key performance indicators
Long Term Incentive	Variable, ranging from 0% to 40% of total fixed annual remuneration, based on performance measured against a range of key performance indicators
Notice Period	Six months' notice

Relationship Between Remuneration Policy and Company Performance

The remuneration of executive officers contains an annual cash bonus. The total cash bonus paid in a year is discretionary and is closely related to and determined by the current financial performance levels of the Group.

Executive officers' remuneration is aligned with the long-term Group performance via the shareholdings that these individuals retain in the Group.

Executive officers are employed under ongoing employment arrangements. Their employment agreements include employee or employer initiated notice periods between three to six months. This is considered appropriate because they have many years of service with the Group and are shareholders of the company.

Audited Remuneration Report (Cont.)

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2026:

	30 June 2026 $'000	30 June 2025 $'000	30 June 2024 $'000	30 June 2023 $'000	30 June 2022 $'000
Revenue	305,628	214,523	216,079	200,886	129,955
Net (loss)/profit before income tax	(740)	3,182	14,604	14,151	9,379
Net (loss)/profit after income tax	(935)	2,077	9,363	9,491	6,551

	30 June 2026	30 June 2025	30 June 2024	30 June 2023	30 June 2022
Share price at end of year	1.05	0.74	0.81	1.12	1.02
Interim dividend (cents per share)	0.00	2.00	2.00	2.00	1.00
Final dividend (cents per share)	1.00	0.25	2.25	2.00	2.00
Basic earnings/(losses) per share	(0.69)	1.72	8.27	8.84	6.24
Diluted earnings/(losses) per share	(0.69)	1.69	8.16	8.71	6.07

All dividends above were franked to 100% at 30% corporate tax rate.

Audited Remuneration Report (Cont.)

Particulars of key management personnel interests, including interests under the ESP and Performance Rights Plan during the year ended 30 June 2026 were:

	Fully paid ordinary shares 2025	Fully paid ordinary shares issued / purchased / (disposed) during 2026	Fully paid ordinary shares at end 2026	Share options 2025	Share options vested / lapsed during 2026	Share options granted during 2026	Share options at end 2026	Performance rights at end 2025	Performance rights granted during 2026	Performance rights vested / lapsed during 2026	Performance rights at end 2026
Non-executive Directors											
Nicholas Yates	35,211	-	35,211	-	-	-	-		-	-	-
Greg Fletcher	5,599	-	5,599	-	-	-	-		-	-	-
Andrew Bellamy[1]	-	37,500	37,500				-				
Former Executive Director											
Mark Benson[2]	3,897,163	56,845	3,954,008	169,100	(100,000)	-	69,100	1,179,030	318,288	(125,000)	1,372,318
TOTAL	3,937,973	94,345	4,032,318	169,100	(100,000)	-	69,100	1,179,030	318,288	(125,000)	1,372,318
Executive Officers											
Angelo De Angelis[3]	80,961	14,697	95,658	152,640	-	-	152,640	460,470	377,112	(44,135)	793,447
Alex Dunne	-	-	-	-	-	-	-	114,348	161,058	-	275,406
Total	80,961	14,697	95,658	152,640	-	-	152,640	574,818	538,170	(44,135)	1,068,853
GRAND TOTAL	4,018,934	109,042	4,127,976	321,740	(100,000)	-	221,740	1,753,848	856,458	(169,135)	2,441,171

1. Appointed as Non Executive Director on 23 September 2025
2. Resigned as Chief Executive Officer on 30 September 2025 and resigned as an Executive Director on 31 December 2025
3. Appointed as Executive Director on 22 September 2025 and appointed as Managing Director & Chief Executive Officer on 1 October 2025

The following table summarises the value of options and performance rights granted during the financial year to key management personnel as part of their remuneration:

	Share options			Performance Rights		
	Granted during 2026	Forfeited during 2026	Vested during 2026	Granted during 2026	Forfeited / lapsed during 2026	Vested during 2026
2026	Fair Value $	Fair Value $	Fair Value $	Fair Value $	Fair Value $	Fair Value $
Non-executive Directors						
Nicholas Yates	-	-	-	-	-	-
Greg Fletcher	-	-	-	-	-	-
Andrew Bellamy[1]						
Former Executive Director						
Mark Benson[2]	-	-	9,000	145,589	(75,577)	39,521
TOTAL	-	-	9,000	145,589	(75,577)	39,521
Executive Officers						
Angelo De Angelis[3]	-	-	-	172,496	(27,107)	13,533
Alex Dunne	-	-	-	73,670	-	-
TOTAL	-	-	-	246,166	(27,107)	13,533
GRAND TOTAL	-	-	9,000	391,755	(102,684)	53,054

1. Appointed as Non Executive Director on 23 September 2025
2. Resigned as Chief Executive Officer on 30 September 2025 and resigned as an Executive Director on 31 December 2025
3. Appointed as Executive Director on 22 September 2025 and appointed as Managing Director & Chief Executive Officer on 1 October 2025

Audited Remuneration Report (Cont.)

The value of the options and rights granted to non-executive directors and key management personnel as part of their remuneration is calculated as at the grant date using a Black-Scholes-Merton pricing model. The amounts disclosed as part of remuneration for the financial year, as disclosed above, have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

Remuneration of Executive Officers and Key Management Personnel

	Short-term Benefits		Post-employment Benefits - Superannuation	Equity settled share-based payments	Total	Percentage of remuneration related to performance
2026	Cash Fees/ Salary $	Cash Bonus[4] $	$	$	$	%
Non-executive Directors						
Nicholas Yates	123,198	-	14,784	-	137,982	0%
Greg Fletcher	80,554	-	9,666	-	90,220	0%
Andrew Bellamy[1]	62,634	-	7,516	-	70,150	0%
Former Executive Directors						
Mark Benson[2]	550,696	91,153	15,000	66,462	723,311	22%
TOTAL	817,082	91,153	46,966	66,462	1,021,663	15%
Executive Officers						
Angelo De Angelis[3]	546,548	148,500	30,000	39,359	764,407	25%
Alex Dunne	375,007	73,800	30,000	12,133	490,940	18%
TOTAL	921,555	222,300	60,000	51,492	1,255,347	22%
Grand total	1,738,637	313,453	106,966	117,954	2,277,010	19%

1. Appointed as Non Executive Director on 23 September 2025
2. Resigned as Chief Executive Officer on 30 September 2025 and resigned as an Executive Director on 31 December 2025
3. Appointed as Executive Director on 22 September 2025 and appointed as Managing Director & Chief Executive Officer on 1 October 2025
4 Cash bonuses are disclosed on an accruals basis and represent the amount earned in respect of the current financial year. Cash bonuses are discretionary, are determined by the Board in August of each year and exclude equity settled share- based payments
5 Share-based long-term employee benefits reflect the accounting expense on a fair value basis.

	Short-term Benefits		Post-employment Benefits - Superannuation	Equity settled share-based payments	Total	Percentage of remuneration related to performance
2025	Cash Fees/ Salary $	Cash Bonus[5] $	$	$	$	%
Non-executive Directors						
Nicholas Yates	120,588	-	13,868	-	134,456	-
Greg Fletcher	78,846	-	9,067	-	87,913	-
Former Non-executive Directors						
Brendan York[1]	83,356	-	-	-	83,356	
TOTAL	282,790	-	22,935	-	305,725	
Executive Officers						
Mark Benson[2]	628,100	237,147	29,989	123,784	1,019,020	35%
Alex Dunne[3]	298,397	96,000	25,774	4,370	424,541	24%
Former Executive Officers						
Brett Gregory[4]	94,802	-	4,989	-	99,791	-
TOTAL	1,021,299	333,147	60,752	128,154	1,543,352	
Grand total	1,304,089	333,147	83,687	128,154	1,849,077	

1 Resigned as non-executive Director 11 June 2025
2 Managing Director & Chief Executive Officer
3 Appointed as Chief Financial Officer and Company Secretary on 26 August 2024
4 Resigned as Chief Financial Officer and Company Secretary on 28 August 2024
5 Cash bonuses are disclosed on an accruals basis and represent the amount earned in respect of the current financial year. Cash bonuses are discretionary, are determined by the Board in August of each year and exclude equity settled share- based payments
6 Share-based long-term employee benefits reflect the accounting expense on a fair value basis.

Audited Remuneration Report (Cont.)

No key management personnel appointed during the year received a payment as part of his or her remuneration for agreeing to hold the position. Non-executive directors have no entitlement to a cash bonus.

The key management personnel are the Non-Executive Directors and Executive Officers of the Group. The value of the options and rights granted to key management personnel as part of their remuneration is calculated as at the grant date using a Black-Scholes-Merton pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

Short Term Incentive (STI) Performance Outcomes

2026

Name	Actual STI[1]	Actual STI % of TFR	Maximum STI	% of maximum payable	% of maximum forfeited
Angelo De Angelis	148,500	25%	330,000	45%	55%
Mark Benson	91,153	14%	405,126	23%	77%
Alex Dunne	73,800	18%	164,000	45%	55%

2025

Name	Actual STI[1]	Actual STI % of TFR	Maximum STI	% of maximum payable	% of maximum forfeited
Mark Benson	$237,147	36%	395,244	60%	40%
Alex Dunne	$96,000	24%	160,000	60%	40%

Directors' Report (cont.)

Subsequent Events

Subsequent to the end of the financial year, the Group increased its bank guarantee facility with Commonwealth Bank of Australia by $5.0 million, from $20.0 million to $25.0 million.

Other than this matter and the dividends described in Note 16 of the Consolidated Financial Report on page 80, there have been no other matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental Regulation And Performance

Saunders is subject to a range of State and Federal environmental regulations in Australia. In line with our Safety, Health and Quality objectives, Saunders strives to continually improve its environmental performance.

The Group recognises the material environmental and social risks that are relevant to its activities and takes action to manage those risks. Discussion across a range of sustainability related topics occurs frequently at Board meetings.

During the financial year, Saunders was compliant with the reporting requirements under relevant legislation. There were no material incidents which required reporting.

Future Developments

Details around the Operating and Financial Review and Outlook are disclosed on pages 30 and 31.

Indemnification of Officers and Auditors

During the financial year, the Group paid a premium in respect of a contract insuring the directors, the company secretary and certain executive officers of the Group and its related bodies corporate against liabilities incurred in their capacity as such officers, to the extent permitted by the Corporations Act 2001.

The insurance policy covers legal costs incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity, provided that such liabilities do not arise from conduct involving a wilful breach of duty or a contravention of the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability covered and the amount of the premium.

In accordance with section 199A of the Corporations Act, the Company has not indemnified its auditors against a liability incurred as an auditor of the Company. The Company has agreed to indemnify the auditors for reasonable legal costs incurred in defending proceedings for a liability incurred as an auditor, except to the extent prohibited by law.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services are outlined in Note 26 to the financial statements. During this financial year there was $31,880 paid or payable for non-audit services (2025: $32,423).

Auditor's Independence Declaration

The auditor's independence declaration is included on page 44 of the annual report.

Rounding Off of Amounts

The Group is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2026/183 and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

This directors' report is signed in accordance with a resolution of directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the Directors:

Angelo De Angelis
Managing Director
Sydney, 27 August 2026

Nicholas Yates
Chair
Sydney, 27 August 2026

Auditor’s Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

8 Parramatta Square
Level 37, 10 Darcy Street
Parramatta NSW, 2150
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

27 August 2026

The Board of Directors
Saunders International Limited
Suite 101, Level 1
3 Rider Boulevard
Rhodes, NSW, 2138

Dear Board Members

Auditor’s Independence Declaration to Saunders International Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Saunders International Limited.

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

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Vincent Snijders
Partner
Chartered Accountants

Auditor's Report

Deloitte Touche Tohmatsu
ABN 74 490 121 060

8 Parramatta Square
Level 37, 10 Darcy Street
Parramatta NSW, 2150
Australia

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Independent Auditor's Report to the Members of Saunders International Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Saunders International 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 and other explanatory 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:

- 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
- 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.

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 for 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.

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Key audit matter	How the scope of our audit responded to the key audit matter

Recognition of construction revenue
 	
Refer to Note 1(d) ‘Construction Contracts’, Note 1(j) ‘Revenue’, and Note 2 ‘Critical accounting judgements and key sources of estimation uncertainty’.
 	
For the year ended 30 June 2026 the Group’s revenue from construction contracts is $305.6 million.
 	
Construction revenue is recognised over time as performance obligations are fulfilled. Construction revenue is recognized by management after assessing all factors relevant to each contract, including specifically assessing the following as applicable:
 	
• Estimation of total contract revenue, including determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims;
 	
• Estimation of total contract costs, including the assessment of forecast cost to complete and contingencies;
 	
• Determination of stage of completion and measurement of progress towards satisfaction of performance obligations, including assessment of exposure to liquidated damages, where applicable.
 	
Recognition of construction revenue is a key audit matter due to the number and type of estimation events over the course of a contract life, as well as the unique nature of individual contract terms leading to complexity and significant judgment around revenue recognition from contracts.
	Our procedures included but were not limited to:
	
	• Evaluating management’s processes and controls in respect of the recognition of construction revenue;
	
	• Selecting a sample of contracts for testing based on a number of quantitative and qualitative factors which may indicate that a greater level of judgement is required in recognising revenue and:
	    • agreed the contract terms to the initial contract price;
	    • tested contractual entitlements for changes, including variations and claims recognised within contract revenue to supporting documentation, and by reference to the underlying contract,
	    • assessed management’s basis for estimates of unapproved variations and claims brought to account within contract revenue,
	    • tested a sample of project costs incurred to date by agreeing to supporting documentation;
	    • assessed the forecast costs to complete through discussion and challenge of project managers and finance personnel, and agreed explanations to underlying evidence and supporting calculations;
	    • recalculated the percentage of completion based on costs incurred to date relative to total forecast costs;
	    • assessed appropriateness of contingency allowances within forecast costs;
	    • evaluated exposure to liquidated damages for late delivery of works; and
	    • challenged management’s ability to forecast margins on contracts by analyzing the accuracy of previous margin forecasts to actual outcomes.
	• Assessing the adequacy of the relevant disclosures in the financial statements.
	
	We also assessed the appropriateness of the disclosures in Notes 1(d), 1(j) and note 2 to the financial statements.

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<table>
<tr><th>Key audit matter</th><th>How the scope of our audit responded to the key audit matter</th></tr>
<tr><td>Acquisition accounting for Aqua Metro

As disclosed in Note 22, the Group acquired the Aqua Metro group effective 1 July 2025 for total consideration of $32.3m, resulting in the recognition of goodwill of $22.9m and intangible assets of $7.7m.

Accounting for acquisition is complex and requires significant judgement, requiring management to determine:

• the date on which control was obtained by the Group;
• the fair value of the identifiable net assets acquired and liabilities assumed, including the valuation of identifiable intangible assets, such as customer relationships and customer contracts which are recognised separately from goodwill; and
• the impact of the transaction on associated tax balances, including the deferred tax impact on tax cost bases.

The acquisition of Aqua Metro group is a key audit matter due to the complexity and judgements involved in accounting for the acquisition and the fair value of the assets acquired and liabilities assumed at the date of the acquisition.</td><td>Our procedures included, but were not limited to:

• Obtaining the Sale and Purchase Agreement to understand the structure, key terms and conditions to determine the nature of the transaction and the contingent consideration;
• Reviewing the technical accounting position paper prepared by management in respect of the date on which the Group assumed control over the entities acquired and assessing the acquisition date;
• Obtaining a copy of the management's expert's valuation report that was commissioned to determine the fair values at the acquisition date of intangible assets acquired;
• In conjunction with our valuation specialists, evaluating the appropriateness of the fair values attributed to the tangible and intangible assets acquired, and liabilities assumed as part of the business acquisition by
  - Evaluating the assumptions in management's determination of fair values of tangible assets acquired and liabilities assumed;
  - Assessing the identification of separately identifiable intangible assets, including customer contracts and customer relationships;
  - Assess the appropriateness of the valuation methodologies applied in determining the fair values attributed to the intangible assets by:
    • Analysing the cash flow assumptions such as revenue growth rates, EBITDA growth rates and contributory asset amounts;
    • Assessing the discount rate used; and
    • Challenging the reasonableness of the valuation outputs.

• In conjunction with our tax specialists, reviewing the work performed by management's expert in respect of the tax base of the assets and liabilities acquired and any associated deferred tax assets and liabilities recognised;

• Evaluating the adequacy of disclosures made in Note 22 against relevant accounting standards.</td></tr>
</table>

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

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

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Responsibilities of the directors for the financial report

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Deloitte.

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 36 to 42 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Saunders International 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Vincent Snijders
Partner
Chartered Accountants
Parramatta, 27 August 2026

Directors' Declaration

The directors declare that:

- in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;
- in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group;
- the directors have been given the declarations required by s.295A of the Corporations Act 2001; and
- in the directors' opinion, the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors:

Angelo De Angelis	**Nicholas Yates**
Managing Director	Chair
Sydney, 27 August 2026	Sydney, 27 August 2026

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue	3	305,628	214,523
Other Income	4	3,522	985
Materials and third-party costs charged to projects		(178,228)	(105,676)
Employee benefits expense	4	(110,478)	(91,510)
Depreciation expense	4	(4,604)	(4,036)
Motor vehicle expense		(503)	(498)
Amortisation expense	4	(2,539)	-
Occupancy expense		(1,003)	(668)
Finance costs	4	(1,099)	(916)
Other expenses		(11,436)	(9,022)
(Loss)/profit before income tax		**(740)**	**3,182**
Income tax expenses	5	(195)	(1,105)
(Loss)/profit for the year attributable to shareholders of the parent entity		**(935)**	**2,077**
Net other comprehensive expenses – exchange differences on translating foreign currency operations		(37)	(24)
Total comprehensive (loss)/income attributable to shareholders of the parent entity		**(972)**	**2,053**
Basic (cents per share)	15	(0.69)	1.72
Diluted (cents per share)	15	(0.69)	1.69

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 $'000	2025 $'000
Current assets			
Cash and cash equivalents	18	29,797	22,076
Trade and other receivables	6	48,311	19,448
Contract Assets	11	19,351	13,619
Current tax assets	5	-	835
Inventories		419	419
Other Current Assets	7	3,083	820
Assets held for sale		-	1,291
Total Current Assets		**100,961**	**58,508**
Non-current Assets			
Property, plant and equipment	8	18,516	13,664
Right-of-use assets	9	7,270	10,833
Intangible assets	20	45,681	17,392
Deferred tax assets	5	886	1,961
Trade receivables	6	-	428
Total Non-current Assets		**72,353**	**44,278**
Total Assets		**173,314**	**102,786**
Current Liabilities			
Trade and other payables	10	52,031	26,724
Contract liabilities	11	16,791	6,887
Provisions	12	7,536	6,174
Other financial liabilities	19	12,891	-
Lease liabilities	9	1,775	2,176
Borrowings	21	2,383	-
Current tax liability	5	210	-
Total Current Liabilities		**93,617**	**41,961**
Non-current Liabilities			
Lease liabilities	9	5,981	8,247
Borrowings	21	7,136	-
Trade and other payables	10	2,587	-
Provisions	12	549	262
Total Non-Current Liabilities		**16,253**	**8,509**
Total Liabilities		**109,870**	**50,470**
Net Assets		**63,444**	**52,316**
Equity			
Issued capital	13	47,293	35,064
Treasury shares under employee share plan	13	(931)	(931)
Share based payments reserve		666	467
Foreign currency translation reserve		(94)	(57)
Retained earnings	14	16,510	17,773
Total Equity		**63,444**	**52,316**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2026

	Issued Capital $'000	Treasury Shares $'000	Share Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 30 June 2024	**30,918**	**(1,230)**	**799**	**(33)**	**20,841**	**51,295**
Balance at 1 July 2024	30,918	(1,230)	799	(33)	20,841	51,295
Profit for the year	-	-	-	(24)	2,077	2,053
Total profit and other comprehensive income	-	-	-	(24)	2,077	2,053
Transactions with owners in their capacity as owners						
Dividends paid					(5,145)	(5,145)
Shares issued during the year (see Note 13)	3,775	-	-	-	-	3,775
Treasury Shares issued during the year	-	299	(299)	-	-	-
Shares vested during the year	371	-	(371)	-	-	-
Share-based payments expense	-	-	338	-	-	338
Total transactions with owners in their capacity as owners	4,146	299	(332)	-	(5,145)	(1,032)
Balance at 30 June 2025	**35,064**	**(931)**	**467**	**(57)**	**17,773**	**52,316**
Balance at 1 July 2025	35,064	(931)	467	(57)	17,773	52,316
Loss for the year	-	-	-	(37)	(935)	(972)
Total profit and other comprehensive income	-	-	-	(37)	(935)	(972)
Transactions with owners in their capacity as owners						
Dividends paid	-	-	-	-	(328)	(328)
Shares issued during the year (see Note 13, 22)	12,229	-	222	-	-	12,451
Share-based payments expense	-	-	(23)	-	-	(23)
Total transactions with owners in their capacity as owners	12,229	-	199		(328)	12,100
Balance at 30 June 2026	**47,293**	**(931)**	**666**	**(94)**	**16,510**	**63,444**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers		298,679	229,570
Payments to suppliers and employees		(298,713)	(209,037)
Interest received		372	100
Finance costs paid		(1,468)	(1,022)
Income taxes paid		(544)	(3,690)
Net cash (outflow)/ inflow from operating activities	18	(1,674)	15,921
Cash flows from investing activities			
Payments for plant and equipment		(5,080)	(2,205)
Proceeds from sale of assets		4,303	244
Payments for business acquisition, net of cash acquired	22	(2,437)	(4,325)
Net cash used in investing activities		(3,214)	(6,286)
Cash flows from financing activities			
Dividends paid	14	(328)	(5,145)
Proceeds from issue of shares		5,275	-
Proceeds from borrowings	21	13,938	2,299
Repayment of borrowings	21	(4,420)	(2,299)
Repayment of lease liabilities	9	(1,856)	(2,221)
Net cash provided by/(used in) financing activities		12,609	(7,366)
Net increase in cash and cash equivalents		7,721	2,269
Cash and cash equivalents at the beginning of the financial year		22,076	19,807
Effects of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents at the end of the financial year	18	29,797	22,076

The accompanying notes form part of these financial statements.

Building and sustaining the critical infrastructure Australia relies on.

Notes to the Financial Statements

1. Summary of Material Accounting Policies

Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

Accounting Standards include Australian Accounting Standards ('AAS'). Compliance with AAS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS'). The financial statements were authorised for issue by the directors on 27 August 2026.

Basis of Preparation

The financial statements for the Group have been prepared on the basis of historical cost except for contingent consideration which is based at fair value. All amounts are presented in Australian dollars, unless otherwise noted.

These financial statements have been prepared on a going concern basis.

The Group is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2026/183, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

(a) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for year ended 30 June 2026. The group has not early adopted any of these standards. Based on management's assessment, these new or amended standards are not expected to have a material impact on the Group's consolidated financial statements, including the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income of the Group.

(b) Accounting Standard in issue but not yet effective

Certain Australian Accounting Standards and amendments to standards have been published that are not mandatory for reporting periods commencing 1 July 2025 and not been early adopted by the Group.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 Presentation of Financial Statements. It will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.

This standard is effective for the June 2027 financial year and will be applied retrospectively. Management is currently undertaking an analysis to determine the impact of the standard on the group.

Sustainability reporting

In preparing the Financial Statements, the importance of climate change and its potential impact on the Group's operations and assets has been assessed. The assessment and direct financial impact of climate related risks and opportunities was determined to be immaterial to the Groups financial performance and position (mainly the land, building and plant and equipment) for 2025-26

(c) Cash and Cash Equivalents

Cash of the Group comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Construction Contracts

The Group recognises a contract asset for any work performed as mentioned in contract and considered reimbursable by customer either directly or indirectly. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the amount invoiced exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue and the receipt of payment is always expected to be less than one year.

(e) Employee Benefits

A liability of the Group is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(f) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is recognised on temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax Consolidation

The company and its wholly owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The company is the head entity within the tax-consolidated group. In addition to its own current and deferred tax amounts, the company also recognises the current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group.

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a 'separate taxpayer within group approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred, and does not tax effect transactions that have no tax consequences to the group. The same basis is used for tax allocation within the tax-consolidated group.

(g) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

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

Lease payments included in the measurement of the lease liability comprise.

- fixed payments, less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

The Group applies AASB 136 to determine whether a right- of-use asset is impaired and accounts for any identified impairment loss, as described in Note 1(l).

(h) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Note 8 provides more detail. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Freehold Land is not depreciated.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	40 years
Plant and Equipment	3-20 years
Office Furniture and Equipment	3-7 years

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(j) Revenue

Engineering and Construction revenue

The Group derives revenue from the long-term construction projects across Australia and the Pacific region. Contracts entered into may be for the construction of one or several inter-linked pieces of large infrastructure. These contracts include two performance obligations being:

- The design and provision of plans for construction projects; and
- The construction, site establishment, erection, commissioning and testing of construction projects.

Each tank is referred to as a project. Where contracts are entered into for the design and construction of several projects the total transaction price is allocated across each performance obligation based on stand-alone selling prices.

The transaction price typically contains a fixed lump sum amount. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration, discussed below.

The performance obligations are fulfilled over time and as such revenue is recognised over time. This is because as work is performed on the assets being designed or constructed, they are controlled by the customer and have no alternative use to the Saunders Group, with the Group having a right to payment for the performance to date. Thus control of the goods and services is transferred to the customer over time.

Invoices are paid on commercial terms, which may include the customer withholding a retention amount until finalisation of the construction. Retention money does not affect the recognition of revenue. Where payment is received prior to or post recognition of revenue using the percentage cost of completion method, revenue is deferred or accrued for on the balance sheet.

Services revenue

Fixed price contracts

For fixed price contracts, the Group assesses the contract to identify distinct performance obligations and determines whether those obligations are satisfied over time or at a point in time. Where a contract contains multiple performance obligations, the transaction price is allocated to each performance obligation based on the relative stand-alone selling prices

The transaction price generally comprises a fixed contract amount and may include variable consideration such as approved variations, claims, incentives, bonuses and liquidated damages. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty is subsequently resolved.

For contracts recognised over time, progress toward complete satisfaction of the performance obligation is measured using an input method based on costs incurred relative to total estimated costs (cost-to-complete method).

Revenue recognised to date is reassessed at each reporting period based on current estimates of contract revenue, forecast costs to complete, project risks and expected contract outcomes. Any changes in estimates are recognised prospectively in the period in which they arise

Where revenue recognised exceeds amounts invoiced, a contract asset is recognised. Where amounts invoiced exceed revenue recognised, a contract liability is recognised.

Cost plus contracts

For cost plus services contracts, revenue arises from maintenance and other services supplied to infrastructure assets and facilities which may involve a range of services and processes.

Performance obligations are fulfilled over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, and Group enhances assets which the customer controls as the Group performs. Thus control of services are transferred to the customer over time.

Customers are in general invoiced on a monthly basis for an amount which is calculated on a cost plus basis that are aligned with the stand alone selling prices for each performance obligation. As the amount the Group is entitled to invoice to a customer corresponds directly with the value provided to the customer under the Group's performance completed to date, the Group has applied the practical expedient under AASB 15 and recognised revenue in the amount that they are entitled to invoice. Payment is received on normal commercial terms.

Fabrication and construction revenue

Fabrication and construction revenue arises from contracts maintained by the Group to fabricate components and construct bridges. These contracts include two performance obligations being:

- The design and provision of plans for the construction of bridges; and
- The fabrication, construction, site establishment, erection, commissioning and testing of bridges

The transaction price typically contains a fixed lump sum amount. The total transaction price is allocated across each performance obligation based on stand-alone selling prices. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration, discussed below.

Each performance obligation is fulfilled over time as the Group enhances assets which the customer controls, for which the Group does not have alternative use and for which the Group has right to payment for performance to date. In some cases, the fabrication of bridge components can be contracted for by itself and in these cases, revenue will be recorded over time.

Revenue is recognised as the services are provided using cost as the measure of progress.

Customers are in general invoiced on a monthly basis for an amount that is in line with costs incurred. Payment is received following invoice on normal commercial terms. Where payment is received prior to or post recognition of revenue using the percentage cost of completion method, revenue is deferred or accrued for on the balance sheet.

Variable consideration

Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, known as "constraint" requirements. The Group assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. When calculating the estimates of variable consideration, the Group considers available information including historic performance on similar contracts and other information regarding events that affect the variability that are out of the control of the Group.

Where modifications in design or contract requirements are entered into, these are treated as a continuation of the original contract in accordance with the contract modification guidance in AASB 15, and the transaction price and measure of progress is updated to reflect these. Where the price of the modification has not been confirmed, this is treated as variable consideration and an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

Tender and contract costs

Costs incurred prior to the commencement of a contract that give rise to resources that will be used in the anticipated delivery of the contract and are expected to be recovered are capitalised.

Typically, these are design costs. Where these contract assets are capitalised, they are amortised over the course of the contract consistent with the transfer of service to the customer. Tenders costs which are capitalised are only costs incremental in the winning of a contract and expected to be recovered.

(k) Financial assets

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit- impaired financial assets, a credit- adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit- impaired (see below). For financial assets that have subsequently become credit- impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit- impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

The directors of the Group always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under construction contracts. Refer to Note 6 for the risk profile of amounts due from customers based on the Group's provision matrix

(l) Financial liabilities

Classification of financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

Financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(m) Goods and Services Tax

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 taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

(n) Impairment of Assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment or loss been recognised for the asset (cash- generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase .

(o) Issued Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of income tax. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(p) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses 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 listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The

Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non- controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(q) Business combinations

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

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

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

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

(r) Share Based Payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Black-Scholes-Merton model, which requires the input of highly subjective assumptions.

The fair value determined at the grant date of the equity- settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

2. Critical Accounting Judgements and Key Source of Estimation Uncertainty

In the application of Saunders' accounting policies, which are described in Note 1, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Construction contracts

Construction revenue is recognised by management after assessing all factors relevant to each contract. Significant management estimation is required in assessing the following:

- Estimation of total contract revenue, including determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims;
- Estimation of total contract costs, including revisions to total forecast costs for events or conditions that occur during the performance of the contract, or are expected to occur to complete the contract;
- Estimation of project contingencies; and
- Estimation of stage of completion including determination of project completion date.

Goodwill

The Group determined whether goodwill is impaired on an annual basis. This requires an estimation of the recoverable amount of the CGU's to which the goodwill is allocated. Key assumptions giving rise to estimation uncertainty are set out in Note 20.

3. Segment reporting

The Group identifies its operating segments by reference to the internal reporting framework used to evaluate performance and allocate resources. Under this framework, the Managing Director and Chief Executive Officer, in their capacity as Chief Operating Decision Maker (CODM), receives discrete financial information for two distinct areas of activity.

During FY26, following the acquisition of Aqua Metro group on 1 July 2025, the Group reassessed its operating and reportable segments. As a result, the Group now presents two reportable segments, being Multi-sector and Water.

The change in reportable segments reflect the manner in which the Chief Operating Decision Maker reviews the Group's financial performance and allocates resources.

Comparative information has not been restated as Aqua Metro group was not part of the Group in the comparative period. Accordingly, comparative segment information continues to be represented on the basis applicable in FY25.

In assessing these operating segments, the CODM focuses on Adjusted EBITDA as the primary profitability measure. Internal management reports provided to the CODM are prepared using the same accounting policies as those applied in the Group's financial statements.

Consistent with the internal reporting framework, balance sheet information is not compiled at the operating segment level and is therefore not presented in these segment disclosures.

During FY2026, two customers accounted for 23% of the Group's total revenue. Customer A contributed 15% of total revenue, while Customer B contributed 8% of total revenue.

A description of the activities undertaken within each reportable segment is provided below:

- Water – Integrated design, engineering, construction and asset services for water storage, pipelines and sewer networks.
- Multi-Sector – Multidisciplinary engineering, construction and maintenance across Defence, Energy, and Resources & Industrials.

3. Segment reporting (cont)

Segment Revenues and Results

	Multi-Sector $'000	Water $'000	Corporate $'000	Total $'000
Year ended 30 June 2026				
Revenue	198,091	107,537	-	305,628
Other income	3,402	120	-	3,522
EBITDA	**10,056**	**10,177**	**(12,731)**	**7,502**
Depreciation and amortisation				(7,143)
Finance income				369
Finance cost				(1,468)
Loss before tax				**(740)**
Income tax expense				(195)
Loss after tax				**(935)**
Year ended 30 June 2025				
Revenue	214,523	-	-	214,523
Other income	985	-	-	985
EBITDA	**18,593**	**-**	**(10,459)**	**8,134**
Deprecation and amortisation				(4,036)
Finance income				106
Finance cost				(1,022)
Profit before tax				**3,182**
Income tax expense				(1,105)
Profit after tax				**2,077**

Geographical information

The Group's operations and customers are predominantly located in Australia. Revenue and results attributable to foreign jurisdictions are not material to the financial statements. Accordingly, management has determined that separate geographical disclosures have not been presented and are not being disclosed separately.

4. Profit Before Tax For The Year

	2026 $'000	2025 $'000
Other Income		
Sale of property, scrap material and other	3,522	985
Total other income	**3,522**	**985**
Profit before income tax has been arrived at after (crediting)/charging the following expenses		
Depreciation Expense		
Buildings	80	31
Plant, equipment and motor vehicles	2,186	1,475
Right-of-use assets	2,089	2,291
Office furniture and other equipment	249	239
Total Depreciation Expense	**4,604**	**4,036**
Amortisation expense		
Intangible	2,350	-
Others	189	-
Total Amortisation Expense	**2,539**	**-**
Finance Costs		
Finance cost on lease liabilities	600	643
Finance cost on borrowings	499	273
Total Finance Costs	**1,099**	**916**
Employee Benefits Expense		
Post-employment benefits – defined contributions	9,336	7,058
Payroll tax expense	5,490	4,386
Workers compensation insurance	2,626	2,179
Employee share based payment expense	(23)	338
Salary and wages	93,049	77,549
Total Employee Benefits Expense	**110,478**	**91,510**

5. Income Tax

Income tax recognised in profit	2026 $'000	2025 $'000
Income tax expense comprises:		
Current income tax expense – current year	1,164	1,395
Current income tax expense - prior year	(1)	-
Deferred tax (benefit) relating to the origination and reversal of temporary differences	(968)	(290)
Total income tax expense	**195**	**1,105**
The prima facie income tax expense on pre-tax accounting (loss)/ profit reconciles to income tax expense in the financial statements as follows:		
(Loss)/profit before taxation	(740)	3,182
Income tax at 30%	(222)	955
Non-deductible expenses	419	150
Over provision in prior years	(2)	-
Total income tax expense	**195**	**1,105**
Current Tax (Liability)/Asset	**(210)**	**835**

The income tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

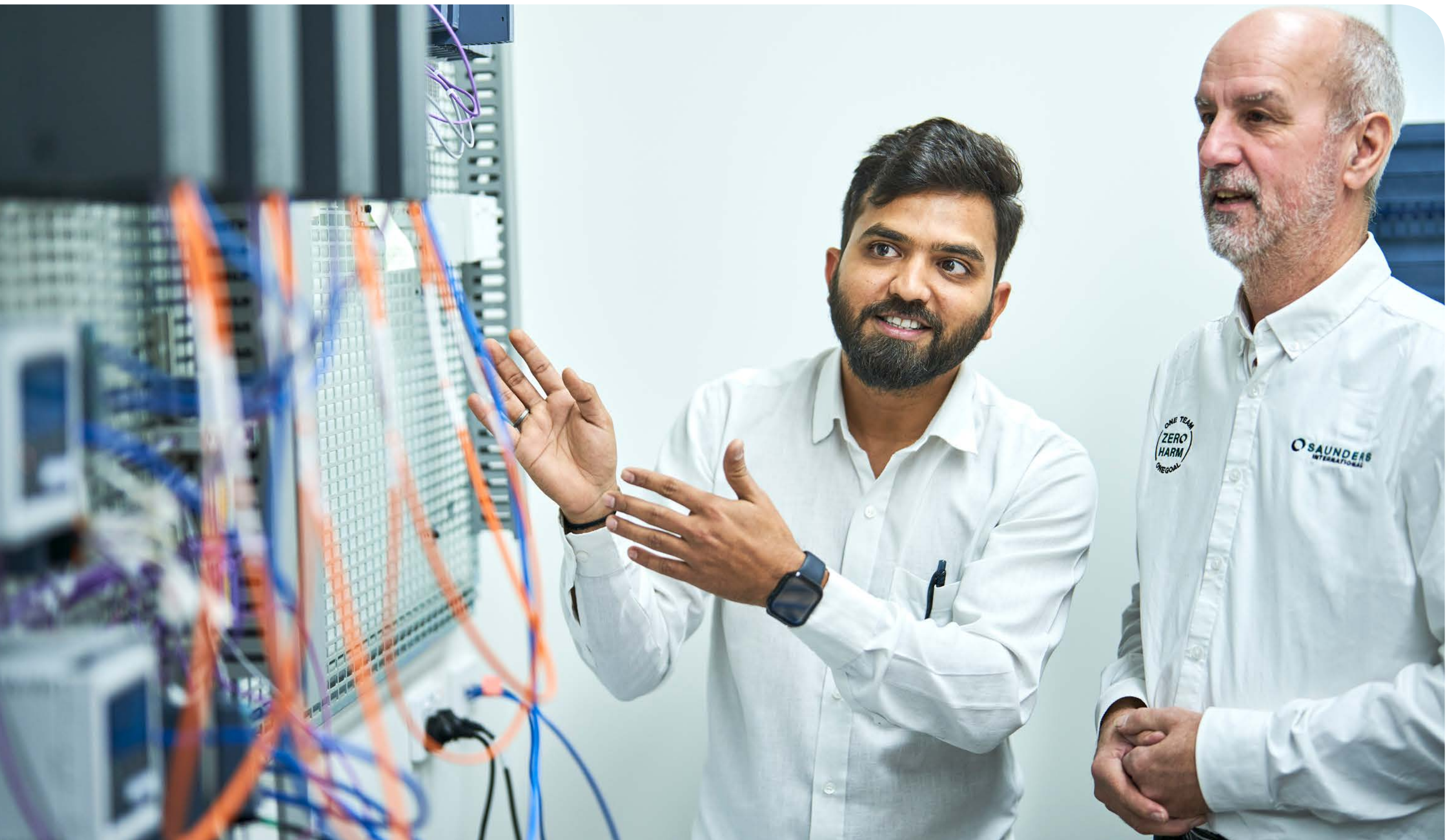
(a) Deferred Tax Balances

The deferred tax expense above is itemised as follows:

	Opening balance $'000	(Charged)/ Credited to Income Statement $'000	Business Combination $'000	Closing balance $'000
2026				
Deferred Tax Assets				
Employee benefits	1,751	275	272	2,298
Provisions	141	(15)	-	126
Lease liabilities	2,498	(438)	258	2,318
Tax losses	38	22	-	60
Provision for losses end of site	2	10	-	12
Accruals and other	788	46	31	865
Deferred Tax Assets	**5,218**	**(100)**	**561**	**5,679**
Deferred Tax Liabilities				
Property, plant and equipment	(869)	110	(30)	(789)
Right-of-use asset	(2,374)	529	(258)	(2,103)
Intangible assets	-	705	(2,310)	(1,605)
Other	(14)	(282)	-	(296)
Deferred Tax Liabilities	**(3,257)**	**1,062**	**(2,598)**	**(4,793)**
Net Deferred Tax Assets	**1,961**	**962**	**(2,037)**	**886**

5. Income Tax (Cont.)

	Opening balance $'000	(Charged)/ Credited to Income Statement $'000	Business Combination $'000	Closing balance $'000
2025				
Deferred Tax Assets				
Employee benefits	1,659	92	-	1,751
Provisions	296	(155)	-	141
Lease liabilities	2,838	(340)	-	2,498
Tax losses	16	22	-	38
Accruals and other	821	(31)	-	790
Deferred Tax Assets	**5,630**	**(412)**	**-**	**5,218**
Deferred Tax Liabilities				
Property, plant and equipment	(1,110)	241	-	(869)
Right-of-use asset	(2,849)	475	-	(2,374)
Other	-	(14)	-	(14)
Deferred Tax Liabilities	**(3,959)**	**702**	**-**	**(3,257)**
Net Deferred Tax Assets	**1,671**	**290**	**-**	**1,961**



6. Trade and Other Receivables

	2026 $'000	2025 $'000
Current		
Gross trade and other receivables	48,311	19,450
Credit loss allowance	-	(2)
Total current net trade and other receivables	**48,311**	**19,448**

	2026 $'000	2025 $'000
Non-current		
Gross trade and other receivables[3]	-	428
Total non-current net trade and other receivables	**-**	**428**

	2026 Australia $'000	2026 Other regions $'000	2026 Total Group $'000	2025 Australia $'000	2025 Other regions $'000	2025 Total Group $'000
Receivables						
Current	42,596	-	42,596	14,835	-	14,835
1-30 days	3,865	-	3,865	3,994	-	3,994
30-60 days	255	-	255	336	-	336
60-90 days	139	-	139	264	-	264
Over 90 days	1,429	27	1,456	419	30	449
Gross trade and other receivables	**48,284**	**27**	**48,311**	**19,848**	**30**	**19,878**
Adjustment for expected changes in credit risk[1]	-	-	-	(2)	-	(2)
Credit loss allowance	**-**	**-**	**-**	**(2)**	**-**	**(2)**
Net trade and other receivables[2]	**48,284**	**27**	**48,311**	**19,846**	**30**	**19,876**
Contract Assets (Note 11)	19,351	-	19,351	13,619	-	13,619
Total Receivables and Contract Assets	**67,635**	**27**	**67,662**	**33,465**	**30**	**33,495**

1 Adjustment to reflect the lower credit risk and probability of default relating to customers that are over 90 days past due.
2 The average credit period on sale of goods and rendering of services is approximately 35 days. No interest is charged on trade receivables. There is no write off of trade receivables in 2026.
3 The non-current trade receivables in FY2025 relate to retention receivables.

Trade receivables and contract assets are written off when there has been a significant change in the risk characteristics of a debtor and there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The Group assessed the expected credit losses on trade receivables and contract assets at 30 June 2026. Having regard to historical collection rates, the credit quality of counterparties and current and forecast economic conditions, the ECL was not material. (2025: $2,000).

7. Other Current Assets

	2026 $'000	2025 $'000
Restricted term deposit	1,278	-
Others	1,805	820
Total Other Current Assets	**3,083**	**820**

8. Property, Plant and Equipment

(a) Impairment Testing

Saunders International Limited reviews the carrying amounts of its tangible assets annually at each reporting date to determine whether there is any impairment. As at 30 June 2026 the directors reviewed the future budgets of the Group to determine whether there are any indications of impairment. This was tested as part of the CGU, while there were some indicators of impairment identified no impairment losses are recorded.

	Land at cost[1] $'000	Buildings at cost[1] $'000	Plant and Equipment at cost $'000	Office furniture and equipment at cost $'000	Total $'000
Gross carrying amount					
Balance at 30 June 2024	3,400	1,150	17,361	1,732	23,643
Additions	-	15	1,518	742	2,275
Disposals	-	-	(845)	-	(845)
Assets held for sale	(800)	(615)	-	-	(1,415)
Balance at 30 June 2025	**2,600**	**550**	**18,034**	**2,474**	**23,658**
Business acquisition	-	-	1,645	157	1,802
Additions	-	19	2,574	627	3,220
Disposals	(800)	(633)	(583)	(3)	(2,019)
Transfer from asset held for sale	800	615	-	-	1,415
Transfer from right of use assets	-	-	4,001	-	4,001
Balance at 30 June 2026	**2,600**	**551**	**25,671**	**3,255**	**32,077**
Accumulated Depreciation					
Balance at 30 June 2024	-	208	7,588	1,038	8,834
Disposals	-	-	(464)	-	(464)
Transfer from asset held for sale	-	(124)	-	-	(124)
Depreciation expense	-	32	1,477	239	1,748
Balance at June 2025	**-**	**116**	**8,601**	**1,277**	**9,994**
Disposals[1]	-	(127)	(498)	(3)	(628)
Depreciation expense	-	80	2,186	249	2,515
Transfer from asset held for sale	-	124	-	-	124
Transfer from right of use assets	-	-	1,556	-	1,556
Balance at June 2026	**-**	**193**	**11,845**	**1,523**	**13,561**
Net Book Value					
As at 30 June 2025	2,600	434	9,433	1,197	13,664
As at 30 June 2026	**2,600**	**358**	**13,826**	**1,732**	**18,516**

1 The Commonwealth Bank has a first mortgage over the land and building at 74 Kalaroo Road, Redhead.

9. Leases

The Group is lessee to office leases, motor vehicle leases and construction equipment. The average lease term for office leases is 4.8 years. The average lease term for motor vehicles and other equipment is 5 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than security interests in the leased assets that are held by the lessor. Leased asset may not be used as security for borrowing purposes. This note provides information for leases where the Group is a lessee.

Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income includes the following amounts relating to leases:

	2026 $'000	2025 $'000
Depreciation Charge for Right of Use Assets	2,089	2,291
Total Depreciation Charge for Right of Use Assets	**2,089**	**2,291**
Other cost relating to leases		
Interest expense on lease liabilities (included in Finance Costs)	600	643
Total costs relating to leases	**2,689**	**2,934**

Total cash payment of leases for the year ended 2026 was: $1.86m (2025: $2.22m)

Amounts recognised in the Consolidated Statement of Financial Position relating to leases:

	Property	Other	Total $'000
Right of use assets			
Gross amount			
Opening balance 1 July 2024	10,128	5,398	15,526
Additions	85	616	701
Disposal	-	(65)	(65)
Balance as at 30 June 2025	**10,213**	**5,949**	**16,162**
Business acquisition	798	-	798
Additions	173	-	173
Disposal	-	-	-
Transfer to property, plant and equipment[1]	-	(4,001)	(4,001)
Balance as at 30 June 2026	**11,184**	**1,948**	**13,132**
Accumulated depreciation			
Opening balance 1 July 2024	1,077	2,015	3,092
Disposals	-	(54)	(54)
Depreciation expense	1,513	778	2,291
Balance as at 30 June 2025	**2,590**	**2,739**	**5,329**
Right of use assets			
Disposals	-	-	-
Depreciation expense	1,717	372	2,089
Transfer to property, plant and equipment[1]	-	(1,556)	(1,556)
Balance as at 30 June 2026	**4,307**	**1,555**	**5,862**
Net book value			
Balance as at 30 June 2025	7,623	3,210	10,833
Balance as at 30 June 2026	**6,877**	**393**	**7,270**

1 Some assets were transferred from Right Of Use to Property, Plant and Equipment due to the nature of the purchase being financed from bank.

9. Leases (Cont.)

Lease Liabilities	2026 $'000	2025 $'000
Current	1,775	2,176
Non-Current	5,981	8,247
Total lease liabilities	**7,756**	**10,423**

Maturity Analysis	2026 $'000	2025 $'000
Year 1	2,149	2,787
Year 2	1,806	2,442
Year 3	1,294	1,766
Year 4	804	1,526
Year 5	832	911
Onwards	2,129	2,927
Total lease liabilities	**9,014**	**12,359**

10. Trade and Other Payables

	2026 $'000	2025 $'000
Current		
Trade payables[1]	32,394	15,891
Other payables	3,423	4,128
Goods and services tax payable	2,135	1,152
Accruals	14,079	5,553
Total trade and other payables	**52,031**	**26,724**

	2026 $'000	2025 $'000
Non-Current		
Trade payables[2]	2,587	-
Total trade and other payables	**2,587**	**-**

1 Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days. For most suppliers no interest is charged on the trade payables for the first 45 days from the date of the invoice.
2 The non-current trade payables relate to retention payables from Saunders Aqua Metro.

11. Contract Assets and Contract Liabilities

	2026 $'000	2025 $'000
Contract asset related to contracts	19,351	13,619
Contract liabilities relating to contracts	(16,791)	(6,887)

Contract Assets

Contract assets are balances due from customers under long-term contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the Group's right to consideration for the services transferred to date. Amounts are generally reclassified to accounts receivable when these have been invoiced to a customer.

The directors of the Group always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience, the nature of the customers and where relevant, the sector in which they operate.

Contract Liabilities

Contract liabilities relate to advance payments received from customers. These arise if a particular milestone payment exceeds the revenue recognised to date under the percentage cost complete method. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was $6.9 million (2025: $5.6 million). Revenue recognised in the reporting period from performance obligations satisfied or partially satisfied in previous periods was $nil (2025: $nil). Partially satisfied performance obligations continue to incur revenue and costs in the period.

Remaining Performance Obligations (Work in Hand)

Contracts which have remaining performance obligations as at 30 June 2026 was $571.9 million (2025: $169 million). FY2025 Work in Hand does not include Aqua Metro group (2025: $360 million).

Contracts in the different revenue streams have different lengths. The average duration of contracts is 12 – 24 months, however some contracts will vary from these typical lengths. Revenue is typically earned over these varying time frames, however more of the revenue noted above is expected to be earned within 12 months.

12. Provisions

	2026 $'000	2025 $'000
Current		
Employee benefits	6,849	5,704
Warranty and maintenance provisions	687	470
Total current provisions	7,536	6,174
Non-current		
Employee benefits	549	255
Other provisions	-	7
Total non-current provisions	549	262

13. Issued Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Ordinary Shares	2026 Number	2025 Number
Ordinary shares at beginning of financial year	122,207,060	116,821,531
Shares issued to vendors for acquisitions (refer Note 22)	9,478,874	4,530,900
Placement for acquisition	7,692,308	-
Shares issued under Employee Share and Performance Rights Plan	213,924	423,674
Treasury shares vested during the year	-	430,955
Ordinary Shares at end of Financial Year	**139,592,166**	**122,207,060**

Fully Paid Ordinary Shares	2026 $'000	2025 $'000
Balance at beginning of financial year	35,064	30,918
Shares issued to vendors for acquisitions (refer Note 22)	7,000	3,775
Placement for acquisitions	5,000	-
Shares issued under Performance Rights Plan	229	371
Balance at end of Financial Year	**47,293**	**35,064**

Treasury Shares Under Employee Share Plan	2026 Number	2025 Number
Balance at beginning of financial year	1,035,537	1,466,492
Treasury shares issued/(vested) during the year	13,455	(430,955)
Balance at end of Financial Year	**1,048,992**	**1,035,537**

Treasury Shares Under Employee Share Plan	2026 $'000	2025 $'000
Balance at beginning of financial year	(931)	(1,230)
Net Treasury shares issued during the year	-	299
Balance at end of Financial Year	**(931)**	**(931)**

Reserves

Nature and purpose of reserves

(a) Treasury shares under employee share plan

The value of shares bought back are allocated to this reserve.

(b) Share-based payments reserve

The share-based payments reserve is for the fair value of options granted and recognised to date but not yet exercised, and treasury shares purchased and recognised to date which have not yet vested.

13. Issued Capital (Cont.)

Employee Share Plan

The Board has approved and implemented an Employee Share Plan ("ESP").

Under the ESP, the Group provides limited recourse, interest free loans to employees to acquire shares in Saunders International Limited, at a specified price per share. The loans are secured by the shares acquired by the eligible employees. The shares will vest and the loans will be repaid, upon a specified anniversary of the issue of the shares. If an eligible employee's employment with the Group is terminated prior to the specified anniversary of the issue of the shares, the shares will be forfeited, and the Group will be entitled to the total amount raised pursuant to the divestment of the shares. The shares are accounted for as in substance options.

Each employee share option converts into one ordinary share of Saunders International Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry right to dividends but not voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. As at the reporting date, a total of 17 tranches of the ESP have been issued. No new tranches have been issued since 28 February 2022.

Tranches 1 to 14 all vested in financial years up to 30 June 2024.

Tranche 15: During the prior financial year 422,500 shares vested and 5,000 shares were forfeited.

Tranche 17: During the prior financial year 3,455 shares were forfeited.

Details of the outstanding share options and the fair value assumptions applied at their respective grant dates are set out below. Options have been valued using the Black-Scholes-Merton pricing model. Expected volatility is based on the historical share price volatility over the past 3 years.

One employee holds more than 150,000 options under the ESP. Details of the fair value assumptions used are as follows:

	Tranche 16	Tranche 17
Grant Date	Aug-21	Feb-22
Grant Price	$0.80	$1.02
Opening Volume	125,000	323,043
New Grants	-	-
Grant re-issued	-	-
Exercised	-	-
Forfeitures	-	-
Closing Volume	125,000	323,043
Exercise Price	$0.80	$1.02
Expected Volatility	45%	45%
Option Life	5 years	5 years
Dividend Yield	0%	0%
Risk Free Interest Rate	4.4%	4.4%
Grant Date fair value	$0.31	$0.39

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

13. Issued Capital (Cont.)

Movement In Share Options During the Year

The following reconciles the share options outstanding at the beginning and end of the year.

	2026		2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	448,043	0.96	878,998	0.83
Granted during the year	-	-	-	-
Re-issued during the year	-	-	-	-
Forfeited during the year	-	-	(8,455)	0.69
Exercised during the year	-	-	(422,500)	0.69
Balance at end of year	448,043	0.96	448,043	0.96
Exercisable at end of year	-	-	-	-

Performance Rights Plan

The Saunders International Limited Rights Plan was approved by the Board and approved by shareholders at the Annual General Meeting in November 2025.

The features of the long-term incentive comprises the grant of equity in the form of Performance Rights which vest over a three year period. The maximum number of Performance Rights will vest only if stretch objectives for each tranche are achieved.

Half of the Performance Rights will vest if the target objectives are achieved. The end of the measurement period for a tranche of Performance Rights can be extended by up to two years at the Board's discretion if significantly less than target vesting would have been achieved for that tranche at the end of the measurement period, adjusted for the pro-rata increase in hurdles to take into account the additional time. The two vesting conditions that will be used will be relative total shareholder return (RTSR) and normalised earnings per share growth (NEPSG). In FY2026, the Board has exercised their discretion to extend for another year under the plan rules.

RTSR will be measured by comparing the Group's TSR over the measurement period with the TSRs achieved by companies that are in a comparator group and remain listed on the ASX. TSR is the percentage return generated from an investment in a Group's shares over the measurement period assuming that dividends are reinvested into the Group's shares. NEPSG will be assessed as the compound annual growth rate (CAGR) reflected in the increase in normalised earnings per share (EPS) from the base year to normalised EPS for the final year of the measurement period. Normalised EPS will relate to normal operations and will exclude abnormal items as determined by the Board in its discretion.

The vesting scale will be applied to the tranches subject to objective measurement of Saunders performing relative to the comparator group and NEPSG, as appropriate, with the vesting scale ranging continuously from very poor performance (CAGR of 5%), to on-target performance (CAGR of 10%), to very good performance (CAGR of 15%).

The long-term incentive is aimed at aligning remuneration with the longer term performance of the Group and retaining the long-term services of the key management personnel

Some Performance Rights may be granted over periods shorter or longer than the standard long-term incentive which vest over a 3 year period. To date these performance rights have been granted to certain management personnel at the commencement of their employment with Saunders, or during their employment with Saunders, and primarily have a service based vesting condition.

The Managing Director & Chief Executive Officer and certain Management Personnel participate in the Saunders International Rights Plan. This plan is part of the long-term incentive component of the respective remuneration packages. The total number of unvested Performance Rights issued under the plan at the beginning of the financial year was 3,023,999. During the financial year, 82,520 rights vested, 161,396 rights lapsed and 1,532,690 new rights were granted; resulting in total unvested Performance Rights at the end of the financial year totalling 4,312,773.

13. Issued Capital (Cont.)

Details of the fair value assumptions used are as follows

	Tranche 21	Tranche 22	Tranche 25	Tranche 26	Tranche 27(b)	Tranche 28
Grant Date	1-Sep-22	1-Sep-22	1-Sep-23	1-Sep-23	1-Nov-22	1-Dec-23
Grant Price	1.07	1.07	1.07	1.07	1.05	0.96
Opening Volume	243,916	243,916	550,011	550,011	20,000	208,085
New Grants	-	-	-	-	-	-
Lapsed	-	(161,396)	-	-	-	-
Forfeited	-	-	(112,657)	(112,657)	-	-
Vested	-	(82,520)	-	-	(20,000)	-
Closing Volume	243,916	-	437,354	437,354	-	208,085
Exercise Price	-	-	-	-	-	-
Expected Volatility	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%
Option Life Remaining	0.17 years	0 years	0.17 years	0.17 years	0 years	0.42 years
Risk Free Interest Rate	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Grant Date fair value	0.92	0.92	0.92	0.92	0.95	0.84

	Tranche 29	Tranche 30	Tranche 31	Tranche 32	Tranche 33
Grant Date	1-Aug-21	1-Oct-24	1-Oct-24	1 Oct 25	1 Oct 25
Grant Price	0.79	1.07	1.07	0.79	0.79
Opening Volume	94,900	726,687	726,687	-	-
New Grants	-	-	-	698,637	698,637
Lapsed	-	-	-	-	-
Vested	(94,900)	-	-	-	-
Closing Volume	-	726,687	726,687	698,637	698,637
Exercise Price	-	-	-	-	-
Expected Volatility	26.9%	26.9%	26.9%	26.87%	26.87%
Option Life Remaining	0 years	1.25 years	1.25 years	2.26 years	2.26 years
Risk Free Interest Rate	4.4%	4.4%	4.4%	4.4%	4.4%
Grant Date fair value	0.71	0.70	0.70	0.64	0.64

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date and number of options granted were outstanding at the end of the year. Option Life Remaining period refers to the remaining contractual life of the Performance Rights prior to their vesting date. Dividend value relates to the estimated value of dividends not payable to rights holders from the date of grant to the vesting date. The Performance Rights outstanding at the end of the year has a weighted average remaining contractual life of 1.81 years.

14. Retained Earnings

	2026 $'000	2025 $'000
Balance at beginning of financial year	17,773	20,841
(Loss)/profit after tax for the year	(935)	2,077
Dividends paid	(328)	(5,145)
Balance at end of financial year	**16,510**	**17,773**

15. Earnings Per Share

	2026 Cents per share	2025 Cents per share
Basic (loss)/ earnings per share	(0.69)	1.72
Diluted (loss)/ earnings per share[1]	**(0.69)**	**1.69**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2026 $'000	2025 $'000
Net (loss)/ profit after tax	(935)	2,077
Earnings used in the calculation of basic and diluted EPS	**(935)**	**2,077**
	2026 No.'000	**2025 No.'000**
Weighted average number of ordinary shares for the purposes of basic earnings per share	135,724	120,967
Diluted earnings per share[2]		
Weighted average number of ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earning per share as follows:		
Weighted average number of ordinary shares used in the calculation of basic EPS	135,724	120,967
Shares deemed to be issued for no consideration in respect of employee options and performance rights	-	1,890
Weighted average number of ordinary shares and potential ordinary share used in the calculation of diluted earnings per share	**135,724**	**122,857**

1 For period ended 30 June 2026, potentially dilutive securities were excluded from the computation of diluted loss per share because their effect was antidilutive.

2 During the year ended 30 June 2025 a portion of the potential ordinary shares associated with the employee share option plan as set out in Note 13 are dilutive and therefore included in the weighted average number of ordinary shares for the purposes of diluted earnings per share. The potential ordinary shares associated with the Performance Rights are dilutive and have been included in the weighted average number of ordinary shares for the purposes of diluted earnings per share.

16. Dividends

	2026		2025	
	Cents per share	Total $'000	Cents per share	Total $'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend (prior year) fully franked at a 30% tax rate	0.25	308	2.25	2,680
Interim dividend (current year) fully franked at a 30% tax rate	-	-	2.00	2,465
	0.25	308	4.25	5,145
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend (current year)	1.00	1,396	0.25	308

The Board declared on 27 August 2026 that there will be a final dividend payable of 1.00 cents per share fully franked (2025: 0.25 cents final dividend). The dividend will be payable on 13 October 2026 with the record date for determining dividends on 15 September 2026.

17. Contingent Liabilities and Contingent Assets

There are a number of commercial and legal claims, arbitrations and exposures that may arise from the normal course of the Group's business in respect of which no provision has been made.

Subsequent to the commitment disclosed in June 2025 for the purchase of materials with value at $1.2m for a Defence project, this has now been recognised in profit or loss in the financial year June 2026.

18. Notes to the Statement of Cash Flows

	2026 $'000	2025 $'000
(a) Cash and cash equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	29,797	22,076
(b) Reconciliation of (loss)/profit for the year to net cash flows from operating activities		
(Loss)/profit for the year	(935)	2,077
Share-based payments expense	(23)	338
Depreciation	4,604	4,036
Amortisation	2,539	-
(Gain)/loss on disposal of non-current assets	(2,848)	81
Unrealised foreign exchange loss	(37)	(24)
(Increase)/Decrease in assets:		
Deferred tax assets	(967)	(290)
Trade and other receivables	(6,746)	5,747
Contract assets	(5,732)	6,947
Inventories	-	(60)
Other assets	(1,120)	(282)
Increase/(Decrease) in liabilities:		
Trade and other payables	2,529	(1,470)
Contract liabilities	4,855	1,287
Current tax liability	626	(2,313)
Provisions	1,581	(153)
Net cash (outflow)/inflow from operating activities	**(1,674)**	**15,921**
(c) Financing facilities		
The Group's principal financing facilities for the provision of bank guarantees and bonding as described in Note 19 is secured by a fixed and floating charge over the assets of the Group		
Amount used	39,545	18,487
Amount unused	5,455	26,513
	45,000	**45,000**

The facilities have financial covenants relating to the Group's liquidity and security ratios, and as at 30 June 2026 the group has not breached these covenants.

19. Financial Instruments

The Group has three significant categories of financial instruments which are described below together with the policies and risk management processes which the Group utilises:

(a) Cash and cash equivalents

The Group deposits its cash and cash equivalents with Australian, PNG and New Zealand banks. Funds can be deposited in cheque accounts, cash management accounts and term deposits. The policy is to utilise at least two Australian banks for cash management accounts and term deposits.

(b) Debtors and credit risk management

The Group has a credit risk policy to protect against the risk of debtor default. The majority of the Group's debtors are long-term customers and are multinational oil and gas companies, government authorities and large Australian corporations where the credit risk is considered to be low. New customers are assessed for credit risk using credit references and reports from credit agencies as necessary.

(c) Bank guarantees and insurance bonds

The Group has a preference to provide bank guarantees or bonding to customers in lieu of the cash retention required under contracts. This preference is pursued subject to specific contract requirements and the Group's finance facility requirements.

In June 2026, the Group entered into a letter of credit arrangement with the Commonwealth Bank to facilitate the purchase of equipment from an overseas supplier for the value of US$0.3million.

Bank Guarantees and Surety Bonds at 30 June 2026 amounted to $39.5 million (30 June 2025: $18.4 million) provided to customers. The Group has combined Bank Guarantees and Surety Bond facilities limit of $45.0 million (30 June 25: $45.0 million).

Capital risk management

The Group's capital structure currently consists of equity and retained earnings. The only external long-term debt or short-term debt relates to lease liabilities and bank loans. The operating cash flows of the Group are used to finance short-term capital expenditure. The Group's capital risk management is continuously reviewed and adjusted based on surplus cash available for investment.

Categories of financial instruments	2026 $'000	2025 $'000
Financial Assets		
Cash and cash equivalents	29,797	22,076
Trade and other receivables	48,311	19,876
Total Financial Assets	**78,108**	**41,952**
Financial Liabilities		
Trade and other payables	52,483	20,019
Other financial liabilities	12,891	-
Borrowings	9,519	-
Lease liabilities	7,756	10,423
Total Financial Liabilities	**82,649**	**30,442**

19. Financial Instruments (Cont.)

Financial risk management objectives

The Group's exposure to market risk mainly arising from interest rate risk (including currency risk, fair value interest rate risk and price risk) and cash flow interest rate risk, is disclosed in the interest rate sensitivity analysis below. Credit risk is monitored monthly through continuous management of the ongoing projects.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term liquidity management requirements. The Group manages liquidity risk by continually monitoring and maintaining adequate banking facilities. Cash flows are monitored and matched to the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to receive or pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month $'000	1 to 3 months $'000	3 months to 5 years $'000	Total $'000
2026					
Financial assets					
Cash and cash equivalents	1.3%	29,797	-	-	29,797
Trade receivables	0.0%	42,596	4,259	1,456	48,311
Financial liabilities					
Trade and other payables	0.0%	49,896	-	2,587	52,483
Other financial liabilities	0.0%	-	-	12,891	12,891
Borrowings	5.0%	433	714	8,625	9,772
Lease liabilities	5.6%	182	367	8,465	9,014
2025					
Financial assets					
Cash and cash equivalents	0.5%	22,076	-	-	22,076
Trade receivables	0.0%	14,834	4,594	448	19,876
Financial liabilities					
Trade and other payables	0.0%	17,190	2,829	-	20,019
Lease liabilities	5.9%	189	384	9,850	10,423

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on exposure to interest rates for cash and cash equivalents that were subject to interest rate fluctuations at the reporting date. At reporting date, if interest rates had been 1% higher or lower and all other variables were held constant, the Group's profit or loss would increase or decrease by $170 thousand (2025: $76 thousand).

19. Financial Instruments (Cont.)

Foreign currency risk

The Group manages its foreign currency risk arising from significant supplier contracts in foreign currencies by holding foreign currency. As a result of operations in Papua New Guinea the Group's statement of financial position can be affected by movements in the PGK/A$ exchange rate. The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency. Where possible, Saunders does not take on foreign exchange risk.

At 30 June 2026, the Group had no forward contracts.

The Group also mitigates its exposure to foreign currency risk by minimising excess foreign currency balances in overseas jurisdictions not required for working capital. At 30 June 2026, the Group had A$68 thousand (2025: $176 thousand) of cash in PGK. At reporting date, if the PGK/AUD exchange rate had moved by 5%, with all other variables held constant, the group's profit or loss would increase or decrease by $3.4 thousand (2025: $8.8 thousand).

Fair value of financial instruments

No financial asset or financial liability is held at fair value. The directors consider the fair value of the financial assets and financials liabilities to approximate their carrying amounts.

20. Intangible Assets

	2026 $'000	2025 $'000
Goodwill		
Balance at beginning of financial year	17,392	17,392
Additions through business combinations		
- Aqua Metro Group	22,939	-
Other intangibles		
Customer relationship	3,750	-
- Accumulated amortization	(375)	-
Customer contracts	3,950	-
- Accumulated amortization	(1,975)	-
Balance at end of financial year	**45,681**	**17,392**

Goodwill arising from business combinations is allocated to cash generating units (CGUs) for the purposes of impairment testing, being the lowest level at which goodwill is monitored by management.

Management has identified two CGUs: Water, and Multi-sector. The Water CGU comprises the Group's water related operations, while the Multi-sector CGU includes the remaining Defence, Energy, and Resources & Industrials activities. Goodwill has been allocated to the CGUs on a basis consistent with the expected benefits from the underlying acquisitions. The carrying amounts of the CGUs are determined by reference to the identifiable assets and liabilities attributable to each CGU, together with appropriate allocations of shared items.

The key assumptions used in the calculations include the financial forecasts for the 2027 financial year, revenue growth rates, capital expenditure growth assumptions, a weighted average cost of capital of 11.8% and a terminal growth rate of 2.5%. These assumptions are based on past experience and the Group's forecast operating and financial performance of the CGUs, taking into account current market and economic conditions, risks, uncertainties and opportunities for improvement.

The value in use calculations are based on cash flow projections over a five year forecast period, extrapolated into perpetuity using a long term growth rate. Cash flow projections in Year 1 are based on the financial forecasts for the 2027 financial year as approved by the Board. Cash flow projections for Years 2–5 assume a growth rate of 5.0% per annum. A terminal growth rate of 2.5% has been applied, consistent with the mid point of long term inflation forecasts by recognised bodies. A weighted average cost of capital of 11.8% has been used to determine the present value of future cash flows for the CGUs.

20. Intangible Assets (Cont.)

The Group has performed sensitivity analysis taking into consideration current uncertain macro economic conditions. This analysis indicates that no reasonably possible change in key assumptions, including changes to the weighted average cost of capital or revenue growth rates, would result in an impairment loss. Accordingly, the Group has concluded that no impairment is required based on current market conditions and expected future performance.

New acquisition

In FY2026, the group acquired Aqua Metro group and the total purchase price in excess of net identifiable assets and liabilities have been identified as goodwill $22.9 million. Refer Note 22 for details of the calculation.

The purchase price allocation process is completed, and the amounts identified and recognised under Note 22 are final. The $22.9 million goodwill arising from the acquisition represents the expected future economic benefits, including synergies, anticipated future market development, and the assembled workforce, which are not recognised separately as identifiable assets. At the reporting date, customer contracts and customer relationship have been separately identified as other intangible assets.

Management has identified that Aqua Metro group is substantially part of the Water market, hence goodwill should be allocated to the Water CGU.

21. Borrowings

The Group entered into a new acquisition debt facility in H1 FY2026 with the Commonwealth Bank with a total facility limit of $10.0 million, which the outstanding balance was $7.28m at 30 June 2026. The facility bears interest at a variable rate linked to the bank bill swap rate (BBSY). The facility has a contractual term of seven years, with a review period after three years. The proceeds of the facility were used to fund the acquisition of Aqua Metro Group.

The Group has taken up asset finance arrangement with the Commonwealth Bank for the acquisition of plant and equipment. The total facility limit was $5 million, with outstanding balance of $2.28 million at 30 June 2026.

Covenants

The acquisition debt facility is subject to quarterly covenant reporting requirements, including covenants such as the Debt Service Cover Ratio and Adjusted Leverage Ratio targets. The Group has complied with these covenant reporting requirements at 30 June 2026.

As part of the Group's liquidity risk management framework, the Group's expected compliance with these covenants is monitored on an ongoing basis and based on forecasts

22. Acquisition of Subsidiaries

Aqua Metro

On 14 October 2025 Saunders completed the acquisition of the Aqua Metro group which comprised of three entities, Saunders Aqua Metro Pty Ltd, Saunders Aqua Metro Plant Pty Ltd and Saunders Aqua Metro Services Pty Ltd. Management has determined that the Group obtained control of Aqua Metro from 1 July 2025. Under the terms of the Share Sale Agreement, Saunders obtained operational and decision-making authority, exposure to Aqua Metro's economic benefits and risks, and the ability to direct the relevant activities of the business at that point in time.

Aqua Metro group is a leading end-to-end delivery partner for design, engineering, and project execution in the water industry, with broad Victorian reach in both urban and rural areas. Aqua Metro group has established long-term relationships with leading utilities and government agencies and holds positions on four major water authority panels, with a diversified customer base complementary to Saunders' existing operations.

The acquisition qualifies as a business as defined in AASB 3 Business Combinations. It was acquired to support Saunders' strategic expansion in the water sector, one of its key growth markets, and to add complementary capabilities across hydraulics, mechanical, civil, and water infrastructure. This will provide a more integrated multidisciplinary project offering and enhance Saunders' ability to deliver complex water projects.

The acquisition was funded through a $5 million institutional placement, a $10 million acquisition debt facility with the Commonwealth Bank and existing cash reserves.

On completion, the Group paid cash consideration of $13.4 million and issued equity consideration of $7.0 million, comprising 9,478,874 Saunders shares, to the former owner. The equity consideration was issued in two equal tranches of 4,739,437 shares on 16 October 2025 and 25 November 2025, following shareholder approval at the Annual General Meeting.

22. Acquisition of Subsidiaries (cont)

The cash consideration comprised $11.0 million of initial cash consideration and a working capital adjustment of $2.4 million, which was settled in cash at completion.

The contingent consideration of up to $11.85 million requires the Group to pay to the former owner up to $6.85 million in cash and $5 million in equity if the earn-out target based on EBIT is achieved in full. The measurement date for the earn out is 30 June 2026 with the payment date expected in H1 FY2027. This has been included in Other Financial Liability within the Consolidated Statement of Financial Position. Management has accrued the full contingent consideration amount as at 30 June 2026 and final assessment of whether Aqua Metro group have achieved their earn out target is expected to be completed in H1 FY2027.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table.

	1 July 2025 $'000
Cash and cash equivalent balances acquired	10,988
Trade and other receivables	21,689
Property, plant and equipment	1,802
Right of use assets	862
Prepayments, other current assets	1,331
Trade and other payables	(20,128)
Deferred revenue	(5,049)
Employee benefits provisions	(1,286)
Deferred tax liabilities	(2,037)
Current tax liabilities	(1,202)
Lease liability	(862)
Cash security term deposit	(3,495)
Other liabilities	(977)
Total identified assets acquired and liabilities assumed	**1,636**
Goodwill	22,939
Customer relationship	3,750
Customer contracts	3,950
Total Consideration	**32,275**
Satisfied by:	
Cash	13,425
Equity comprising ordinary shares in Saunders International Limited	7,000
Contingent consideration	
- Settled in cash	6,850
- Settled in equity	5,000
Total consideration transferred	**32,275**
Net cash outflow arising on acquisition:	
Cash consideration paid in FY2026	13,425
Less: cash and cash equivalent balances acquired	(10,988)
Net cash outflow arising on acquisition FY2026	**2,437**

23. Directors & Key Management Personnel Compensation

The board of directors approves on an annual basis the amounts of compensation for directors and key management personnel with reference to the Group's performance and general compensation levels in equivalent companies and industries.

(a) Remuneration of Directors and Key Management Personnel

	2026 $	2025 $
Short-term employee benefits	2,052,090	1,637,236
Post-employment benefits	106,966	83,687
Share-based payments	117,954	128,154
Total remuneration of directors and key management personnel	2,277,010	1,849,077

The names of and positions held by the key management are set out in the Remuneration Report on page 41. Further details of the remuneration of key management are disclosed in the Remuneration Report.

(b) Other Transactions with Key Management Personnel

There were no transactions with directors and other key management personnel apart from those disclosed in this note.

(c) Directors' and Key Management Equity Holdings

Refer to the table in the Remuneration Report on page 41.

24. Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

			Proportion of ownership interest and voting power held by the Group	
Name of Subsidiary	Principal activity	Place of incorporation and operation	2026	2025
Saunders Civilbuild Pty Ltd	Bridge construction and maintenance	Australia	100%	100%
Saunders Property (NSW) Pty Ltd	Real property investments	Australia	100%	100%
Saunders Asset Services Pty Ltd	Maintenance	Australia	100%	100%
Saunders (PNG) Limited	Tank construction and maintenance	PNG	100%	100%
Saunders PlantWeave Pty Ltd	Industrial Automation and Electrical	Australia	100%	100%
Saunders International (NZ) Limited	Tank construction and maintenance	New Zealand	100%	100%
Saunders Automation Pty Ltd	Industrial Automation and Electrical	Australia	100%	100%
Saunders Piping Solutions Pty Limited	Structural, mechanical and piping (SMP)	Australia	100%	100%
Saunders Aqua Metro Pty Ltd	Water storage, pipelines and sewer networks	Australia	100%[1]	-
Saunders Aqua Metro Plant Pty Ltd	Plant and equipment	Australia	100%[1]	-
Saunders Aqua Metro Services Pty Ltd	Water storage, pipelines and sewer networks	Australia	100%[1]	-

1 Saunders acquired 100% ownership of Saunders Aqua Metro Pty Ltd, Saunders Aqua Metro Plant Pty Ltd and Saunders Aqua Metro Services Pty Ltd (Aqua Metro group) effective 1 July 2025. Please refer to note 22 for details of the acquisition.

25. Parent Entity Information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below. See Note 1 for a summary of the significant accounting policies relating to the Group.

Investments In Subsidiaries

Investments in subsidiaries are accounted for at cost. Dividends received from subsidiaries, associates and joint ventures are recognised in profit or loss when a right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Parent and the amount of income can be measured reliably).

Summary Financial Information

The separate financial statements for the parent entity, Saunders International Limited show the following aggregate amounts.

Financial Position	2026 $'000	2025 $'000
Assets		
Current Assets	57,441	37,207
Non-current assets	67,212	34,020
Total assets	**124,653**	**71,227**
Liabilities		
Current liabilities	55,627	18,154
Non-current liabilities	11,103	3,506
Total liabilities	**66,730**	**21,660**
Total Net Assets	**57,923**	**49,567**
Equity		
Issued capital	47,293	35,064
Shares buy-back reserve under employee share plan	(931)	(931)
Share based payments reserve	666	467
Retained earnings	10,895	14,967
Total equity	**57,923**	**49,567**

Financial Performance	2026 $'000	2025 $'000
(Loss)/profit for the year	(3,744)	2,324
Other comprehensive income	-	-
Total comprehensive income	**(3,744)**	**2,324**

The parent entity is jointly and severally liable for the guarantee facilities, see details in Note 17.

26. Remuneration of Auditor[1]

	2026 $	2025 $
Audit or review of the financial report	605,379	369,643
Other services[2]	31,880	32,423
Total Auditor's remuneration	**637,259**	**402,066**

1 The auditor of Saunders International Limited is Deloitte Touche Tohmatsu.
2 Other services provided relate to Saunders PNG Limited and included taxation, financial statement preparation and annual return lodgement.

27. Subsequent Events

Subsequent to the end of the financial year, the Group increased its bank guarantee facility with Commonwealth Bank of Australia by $5.0 million, from $20.0 million to $25.0 million.

Other than the above, the Directors are not aware of any matter or circumstance, not already disclosed, occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

28. Additional Company Information

(a) General Information

Saunders International Limited is incorporated and operating in Australia. Saunders International Limited's registered office and its principal place of business is as follows:

Registered Office	Principal place of business
Suite 101, Level 1, 3 Rider Boulevard Rhodes NSW 2138 Tel: (02) 9792 2444	Suite 101, Level 1, 3 Rider Boulevard Rhodes NSW 2138 Tel: (02) 9792 2444

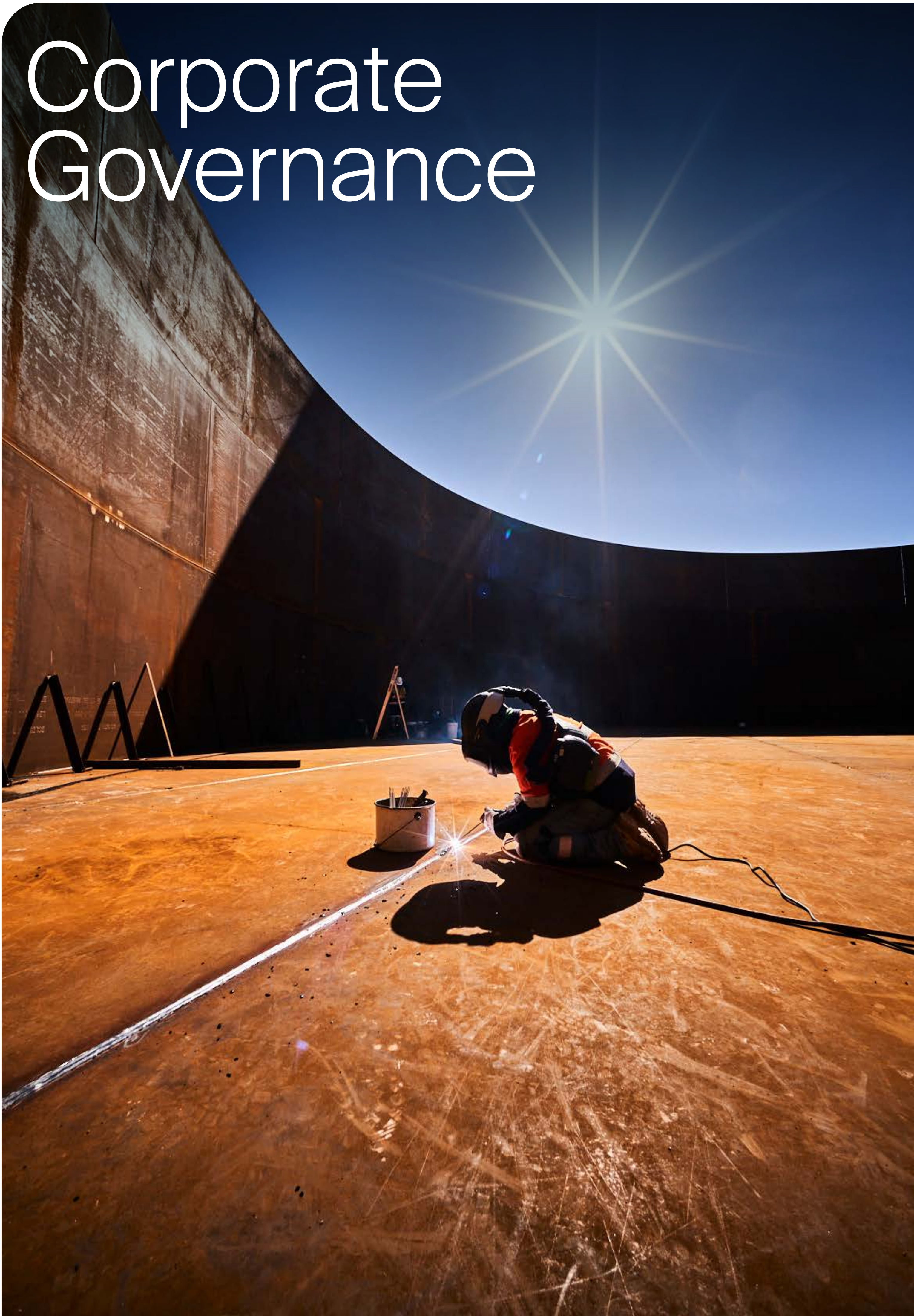
(b) Consolidated Entity Disclosure Statement

			Body Corporates		Tax Residency	
Name of Subsidiary	Principal Activity	Entity Type	Place of incorporation and operation	% of Share Capital Held	Australia Resident[2]	Foreign Jurisdiction
Saunders International Limited	Holding Company, Construction and Maintenance	Body Corporate	Australia	NA	Yes	NA
Saunders Civilbuild Pty Ltd	Bridge Construction and Maintenance	Body Corporate	Australia	100%	Yes	NA
Saunders Property (NSW) Pty Ltd	Real Property Investments	Body Corporate	Australia	100%	Yes	NA
Saunders Asset Services Pty Ltd	Maintenance	Body Corporate	Australia	100%	Yes	NA
Saunders (PNG) Limited	Tank Construction and Maintenance	Body Corporate	Papua New Guinea	100%	No	Papua New Guinea
Saunders PlantWeave Pty Ltd (now incorporated within Saunders Automation Pty Ltd)	Industrial Automation and Electrical	Body Corporate	Australia	100%	Yes	NA
Saunders International (NZ) Limited	Tank Construction and Maintenance	Body Corporate	New Zealand	100%	No	New Zealand
Saunders Automation Pty Ltd	Industrial Automation and Electrical	Body Corporate	Australia	100%	Yes	NA
Saunders Piping Solutions Pty Limited	Structural, Mechanical and Piping (SMP)	Body Corporate	Australia	100%	Yes	NA
Saunders Aqua Metro Pty Ltd	Water storage, pipelines and sewer networks	Body Corporate	Australia	100%[1]	Yes	NA
Saunders Aqua Metro Plant Pty Ltd	Plant and equipment	Body Corporate	Australia	100%[1]	Yes	NA
Saunders Aqua Metro Services Pty Ltd	Water storage, pipelines and sewer networks	Body Corporate	Australia	100%[1]	Yes	NA

1 Saunders acquired the Aqua Metro Group and formed Saunders Aqua Metro Pty Ltd, Saunders Aqua Metro Plant Pty Ltd and Saunders Aqua Metro Services Pty Ltd with effect from 1 July 2025.

2 All 100% Australian owned subsidiary companies of Saunders International Limited are part of a tax-consolidated group under Australian tax law, for which Saunders International Limited is the head entity

Corporate Governance



Corporate Governance

The Board of Saunders International Limited has adopted a suite of Corporate Governance Practices to ensure that the company effectively identifies, monitors and manages risks, with the appropriate disclosures.

In developing and adopting the Practices, the Board considered the fourth edition of the ASX Corporate governance Principles and Recommendations. The Board incorporates the Principles and Recommendations into its Practices to the extent that they are appropriate, taking into account the Company's size, activities and resources.

The Board has adopted the following Charters, Policies and Codes:

The Board Charter

The Board Charter sets out matters relating to the responsibilities of the Board and its directors and matters relating to the composition of the Board and appointment of directors.

Board Committees and Their Charters

In order to better manage its responsibilities, the Board has established an Audit and Risk Committee and a Remuneration Committee. Each committee has adopted a Charter approved by the Board.

Policies and Codes of Conduct

The Company has adopted Policies and Codes of Conduct which are available on the Company's website.

Corporate Governance Statement and Appendix 4G

The Company reports on an annual basis, its compliance and/ or reasons for non-compliance with the fourth edition of the ASX Corporate Governance Principles and Recommendations. The Appendix 4G has been released on the ASX Announcements platform. Further information on the above Charters Policies and Codes can be found on the Company's website.

Shareholder Information

Shareholder Information

Ordinary Share Capital

At 30 June 2026 there are 140,683,527 (ordinary and escrow shares fully paid ordinary shares held by 717 individual shareholders. In addition, there are 1,091,361 shares issued to employees under the Employee Share Purchase Plan (ESPP). These ESPP shares are not included for the purpose of calculating the totals and percentages used in this section.

Substantial Shareholders As At 30 June 2026

Substantial Shareholders	No. Of Shares	Percentage
Desmond Bryant	25,863,874	18.4%
Ahrens Group Pty Ltd	22,623,815	16.1%
Naos Substantial Holders[1]	14,049,461	10.0%
M Wade Holdings Pty Ltd	9,478,874	6.7%
Anacacia Pty Limited	9,294,070	6.6%
Timothy Burnett	7,780,887	5.5%

Distribution of Shares	
100,001 and Over	131,578,308
10,001 to 100,000	7,726,995
5,001 to 10,000	810,886
1,001 to 5,000	509,928
1 to 1,000	57,410
Total	140,683,527

Twenty Largest Registered Holders Names	No. OF SHARES	PERCENTAGE (%)
AHRENS D&C HOLDINGS PTY LTD	22,623,815	16.1
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	20,653,114	14.7
MR DESMOND BRYANT	11,322,343	8.0
DEBRY PTY LTD	10,677,667	7.6
ANACACIA PTY LTD	9,294,070	6.6
AQUA METRO HOLDINGS PTY LTD	6,635,212	4.7
L J A WELDING PTY LTD	5,446,329	3.9
MARLOT PTY LTD	4,807,324	3.4
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,999,025	2.8
BENSON FAMILY HOLDINGS P/L	3,639,008	2.6
MR JOHN POWER	3,401,453	2.4
TIVOLICO PTY LTD	2,973,563	2.1
AQUA METRO SPV PTY LTD	2,843,662	2.0
EFFJAY HOLDINGS PTY LIMITED	2,316,801	1.6
R & B INVEST PTY LTD	1,700,000	1.2
CITICORP NOMINEES PTY LIMITED	1,335,410	0.9
TIG TECH PTY LTD	1,324,664	0.9
SAGIMO HOLDINGS PTY LTD	1,315,208	0.9
MRS KARYN MAY MCCLELLAND	1,229,012	0.9
SAUNDERS EMPLOYEE SHARE PLAN PTY LTD	1,091,361	0.8

1. Holding attributed to NAOS Substantial Holders is based on the latest substantial holder notice lodged on 12 June 2026.

Board of Directors Information and Profiles

Board of Directors Information and Profiles

Nicholas Yates
Chair

Nicholas has over 35 years of experience in engineering services and construction. He has held several CEO and Board positions in both listed and private companies, including Chief Executive, Infrastructure ANZ at Transfield Services, followed by Chief Executive Officer and Board Chair of ASX-listed BSA Limited (resigned 19 June 2026).

Nicholas was appointed to the Saunders Board in September 2020 and has since served as a Non-Executive Director and a member of the Remuneration Committee and Audit and Risk Committee. He was appointed Chair on 1 July 2023.

Angelo De Angelis
Managing Director & Chief Executive Officer

Angelo was appointed Managing Director and CEO of Saunders in 2025. Having served as Chief Operating Officer from June 2021 to September 2025, Angelo has been a driving force behind Saunders' success, playing a key role in our evolution into a multidisciplinary engineering, construction and maintenance business.

Angelo has over 30 years of executive, key markets and industry experience within leadership roles across Australia, the Indo-Pacific and North America. Prior to joining Saunders, he held multiple executive roles at Ventia, Broadspectrum and Transfield Services. Additionally, he has held various Board Committee roles focussed on Safety, Environment and Indigenous Advisory, with ASX-listed and not for profit organisations.

Greg Fletcher
Non-Executive Director

Greg is a company director who retired from the Deloitte partnership in 2009 to pursue board roles.

He currently holds the position of Co-Vice Chairman, Lead Independent Director, Audit and Risk Committee Chair and Remuneration and Nomination Committee Member at Yancoal Australia Limited. Greg is Chair of Audit and Risk Committees at the Western Sydney Local Health District, Bradfield Development Authority and Advanced Manufacturing Readiness Facility, Transport for New South Wales and the NSW Clinical Excellence Commission and NSW Agency for Clinical Innovation.

Additionally, he is a Member of the NSW Health Infrastructure Audit & Risk Committees. Greg has been a Director on the Saunders Board since July 2015 and is Chair of the Audit and Risk Committee and Member of the Remuneration Committee.

Andrew Bellamy
Non-Executive Director

Andrew is an experienced business leader who retired as CEO and Managing Director of Austal Ltd (ASX:ASB) in 2016, after overseeing its growth into a global defence prime contractor and Australia's largest defence exporter.

He previously held senior leadership roles in the oil and gas industry with Honeywell and ICI across North America, Europe, the Middle East and Asia.

Andrew has been a Director on the Saunders Board since September 2025. He chairs the Remuneration Committee and is a member of the Audit and Risk Committee.

Corporate Directory

BOARD OF DIRECTORS

Nicholas Yates
Chair

Angelo De Angelis
Managing Director and Chief Executive Officer

Greg Fletcher
Non-Executive Director

Andrew Bellamy
Non-Executive Director

AUDITORS

Deloitte Touche Tohmatsu
8 Parramatta Square
Level 37, 10 Darcy St
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PRINCIPAL BANKER

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Corporate Financial Services
Level 1, 430 Forest Rd
Hurstville NSW 2220

SHARE REGISTER

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