ASX Announcement

31 August 2026

Verbrec FY2026 Results Announcement

Verbrec Limited (ASX : VBC) (**Verbrec** or the **Company**) today announces its financial results for FY2026.

Verbrec is an engineering and digital transformation business, providing a comprehensive range of integrated services across the entire life cycle of an asset.

FY2026 Highlights

- **Revenue from continuing operations of $118.5 million, up 52% on FY2025 ($77.9 million)**
- **Adjusted EBITDA from continuing operations of $8.7 million, up 47% on FY2025 ($5.9 million)**
- **NPAT(A) from continuing operations of $4.2 million, up 107% on FY2025 ($2.0 million).**
- **Statutory EBITDA of $15.4 million, up 94% on FY2025 ($7.9 million)**.
- **Basic earnings per share of 3.5 cents (FY2025: 1.3 cents).**
- **Net cash [1] position of $11.7 million, up 421% (FY2025: $2.3 million)**.
- **Total fully franked dividend for FY2026 at 0.25 cents per share, up 150% on FY2025 (0.1 cps)**
- **Work in hand of $78 million, up 77%, and opportunity pipeline of $277 million, up 111%.**
- **FY2027 guidance reaffirmed. Revenue $140 - $160 million, adjusted EBITDA $10 - $12 million.**

Financial Performance

FY2026 was a transformational year for Verbrec. The Company divested Competency Training and acquired Alliance Automation in December 2025, materially changing the scale, capability and revenue mix of the Group.

The Company's journey from 2023 to 2025 was one of turnaround and margin expansion. The Company is now positioned for growth. In FY2026 the Company has increased its revenues by 52% to $118.5 million (FY2025: $77.9 million).

Gross profits are up 55% to $42.1 million and gross margins improved to 35.5% (FY2025: 34.8%). This is the fourth consecutive year of gross margin improvement and reflects continued discipline in the selection and management of projects across a materially larger portfolio of work.

Adjusted EBITDA from continuing operations was $8.7 million (FY2025: $5.9 million), an increase of 47% and within the guidance range confirmed to the market in July 2026. Adjusted EBITDA margin of 7.3% was marginally below the prior year (FY2025: 7.6%), reflecting the lower margin profile Alliance Automation brought to the Group. Verbrec is targeting a combined Group adjusted EBITDA margin of 8% - 10% over time as integration benefits and efficiencies are realised.

NPAT(A) from continuing operations more than doubled to $4.2 million (FY2025: $2.0 million) and profit after tax from continuing operations was $3.3 million (FY2025: $1.3 million).

Including the gain on the sale of Competency Training and the results of discontinued operations, statutory EBITDA was $15.4 million (FY2025: $7.9 million) and statutory net profit after

[1] Includes cash term deposits classified as short term investments.

tax was $10.4 million (FY2025: $3.7 million). Basic earnings per share was 3.5 cents (FY2025: 1.3 cents).

FY2026 Results Summary (Continuing Operations) ($'000)

	FY2026	FY2025	Change
Revenue	118,466	77,856	52%
Gross Profit	42,077	27,104	55%
Gross margin	35.5%	34.8%	0.7pp
Adjusted EBITDA	**8,679**	**5,909**	**47%**
Adjusted EBITDA margin	**7.3%**	**7.6%**	**(0.3pp)**
NPAT(A)	4,182	2,017	107%
Profit after tax	3,332	1,269	163%
Basic earnings per share (cents)	1.1	0.4	155%

Reconciliation to Statutory ($'000)

	FY2026	FY2025	Change
Adjusted EBITDA (Continuing Ops)	**8,679**	**5,909**	**47%**
Share Based Performance Rights	*(644)*	*(907)*	
One-off Gain on Acquisition	*1,784*	-	
One-off acquisition & divestment costs	*(1,715)*	-	
EBITDA (Continuing Ops)	**8,104**	**5,002**	**62%**
Consideration received for divestment	*11,314*	-	
Carrying amount assets and liabilities disposed	*(516)*	-	
Carrying amount of goodwill disposed	*(3,827)*	-	
Costs incurred from sale of business	*(93)*	-	
FX reclassification	*(36)*	-	
Profit from discontinued business operations	*245*	*2,466*	
Discontinued ops finance, tax and D&A expense	*246*	*474*	
EBITDA (Discontinued Ops)	**7,333**	**2,940**	**149%**
Statutory EBITDA	**15,437**	**7,942**	**94%**
Depreciation & Amortisation	*(4,543)*	*(3,668)*	
Finance Expense	*(558)*	*(772)*	
Tax Expense	*83*	*233*	
Profit after tax	**10,419**	**3,735**	**179%**
Basic earnings per share (cents)	3.5	1.3	171%

Cash flow and balance sheet

Verbrec ended the year with cash and cash equivalents of $20.2 million including cash term deposits (FY2025: $7.1 million) and a net cash position of $11.7 million (FY2025: $2.3 million), an increase of 421%. Net assets increased 45% to $34.6 million (FY2025: $23.8 million) and total assets increased to $82.1 million (FY2025: $49.4 million).

The acquisition of Alliance Automation was funded entirely from existing cash reserves.

Net cash inflow from operating activities was $5.8 million (FY2025: $6.5 million). Excluding the external costs of the Competency Training divestment and the Alliance Automation acquisition, operating cash inflow was $6.8 million. Operating cash flow in FY2026 also absorbed the additional working capital required to support a materially larger revenue base through the second half, with receipts from customers increasing 44% to $134.0 million.

Dividend

The Board has determined a fully franked final dividend for FY2026 of 0.15 cents per share, bringing total dividends declared for the year to 0.25 cents per share (FY2025: 0.1 cents per share), an increase of 150%.

The growth in the dividend reflects the Board's confidence in the earnings base of the enlarged Group, the strength of the balance sheet, and the continuity of the dividend program reinstated at the end of FY2025. The Group retained $5.4 million of franking credits at 30 June 2026.

Portfolio Transformation

Verbrec completed the sale of Competency Training to RelyOn for $11.5 million before adjustments, receiving $11.2 million in cash after customary adjustments for working capital and net debt. The divestment produced a gain on sale of $6.8 million and released capital from a business that, while profitable, was no longer core to the Group's engineering, automation, asset management and operations offering. Competency Training had been part of Verbrec since 2008.

On 2 December 2025 Verbrec completed the acquisition of Alliance Automation from Telstra for $5.5 million before working capital adjustments, representing approximately five times FY2025 EBITDA. Founded in 2010, Alliance Automation is one of Australia's largest independent providers of industrial automation, digital transformation, operational technology and industrial cyber security services, with a developing capability in machine learning and artificial intelligence, and established positions in water and wastewater, mining, manufacturing and Defence.

On a pro-forma basis, the acquisition adds over $60 million in annualised revenue and takes the combined Group to approximately 700 team members. Alliance Automation contributed to the Group for seven months of FY2026. Automation and technology accounted for approximately 33% of FY2026 revenue from that seven-month contribution.

A stronger, larger and more diversified business

The revenue mix changed materially in FY2026. Energy remained the largest sector, but water grew to become the second largest revenue generator and mining stepped up from a modest base. The Group's exposure to any single client capital cycle also has been materially reduced.

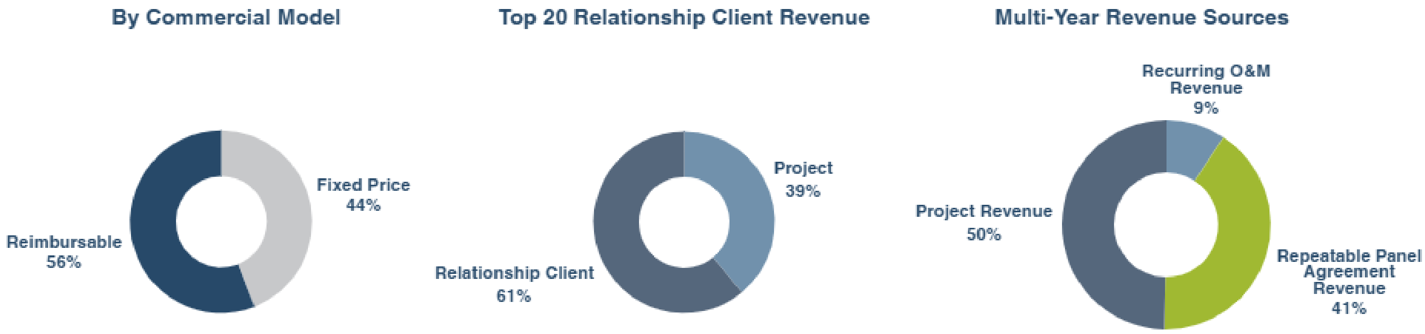
Revenue Diversification

SECTOR	% REVENUE FY2026	% REVENUE FY2025
Energy	36%	64%
Water	21%	7%
Mining	18%	10%
Infrastructure	11%	11%
Defence	8%	7%
Manufacturing	6%	1%

By commercial model, 44% of revenue was derived from fixed price arrangements and 56% from reimbursable arrangements.

Revenue from the top 20 relationship clients was 61% of Group revenue.

Panel agreements and multi-year operations and maintenance arrangements represented approximately 50% of Group revenue in FY2026, across 87 panel agreements and 15 O&M contracts, comprising 41% repeatable panel agreement revenue and 9% recurring O&M revenue. This supports deeper client relationships and improved revenue visibility.



Order Book and Pipeline

Work in hand at 30 June 2026 was a strong $78 million on a twelve-month look-ahead basis, up 77% on the prior year (FY2025: $44 million) and up from $71 million at the half. The opportunity pipeline grew 111% to a record $277 million (FY2025: $131 million), up from $203 million at the half.

Verbrec includes in its opportunity pipeline only those opportunities for which an active proposal has been submitted to a client. Prospects and leads are tracked internally but are not reported.

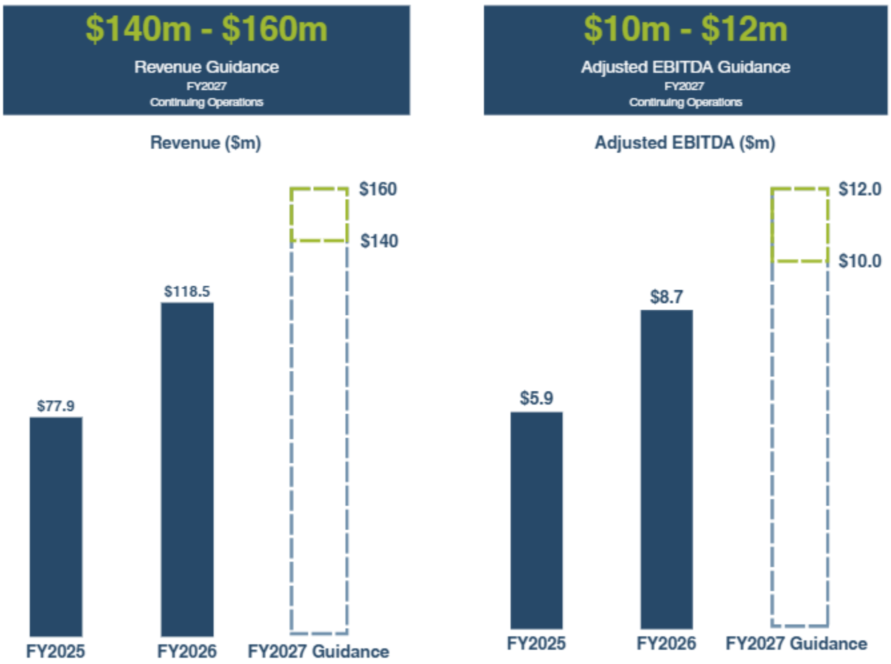
The growth in both measures reflects the broader capability of the combined Group, genuine cross-selling to a common client base, and Verbrec being invited to bid on larger and more complex programs of work than the Company would have been considered for eighteen months ago.

The tender win rate on a dollar-for-dollar basis was 34% for FY2026.

FY2027 Outlook and Guidance

Verbrec reaffirms the guidance provided to the market on 27 July 2026. The Company expects FY2027 revenue of $140 million to $160 million and adjusted EBITDA of $10 million to $12 million. At the mid-point, this implies compound growth from FY2025 to FY2027 of approximately 39% in revenue and approximately 35% in adjusted EBITDA. Adjusted EBITDA excludes one-off expenses incurred in the pursuit of ongoing synergies and integration of Alliance Automation and the impacts of share-based payments.

The growth is expected to be delivered through a full year contribution from Alliance Automation, improved cross-selling of services to common clients, and margin improvement from synergies and integration activities across a less variable overheads base.



Verbrec is positioned where Australia's infrastructure spend is expected to grow

Australia and New Zealand are investing in energy security, water security and the infrastructure that underpins them. AEMO's 2026 Gas Statement of Opportunities forecasts gas shortfall risks, with additional supply required in most scenarios from 2030 as production from legacy southern fields declines.

Demand for automation, operational technology and cyber security across critical infrastructure continues to grow, supported in part by regulatory obligations under the Security of Critical Infrastructure Act. Data centre development is emerging as an additional source of demand for energy, water, electrical and control infrastructure.

Since the end of the financial year, Verbrec has announced further contract awards in the energy security market. The Company sees continued momentum across its core growth markets of gas market transition, electrification and energy storage, operational technology cyber security, and industrial automation and machine learning.

Verbrec's priorities in FY2027 are to convert the opportunity pipeline, lift the margin of the combined Group toward the 8% - 10% target range as integration benefits are realised. Verbrec expects to continue to deepen the relationships that generate repeat work. The Company will also continue to assess strategic acquisition opportunities that add capability, technology or geographic reach, empowered by a strong balance sheet that remains in a net cash position.

Authorised for release by the Board of Directors of Verbrec Limited.

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About Verbrec

Verbrec is an engineering and digital transformation business, providing a comprehensive range of integrated services across the entire life cycle of an asset. Verbrec plays a vital role in delivering the infrastructure underpinning Australia's energy security. We serve the mining, energy, water and defence markets across Australia and the Pacific.

Verbrec is an Australian Securities Exchange listed company (ASX:VBC).

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Note regarding forward looking statements

This announcement contains forward looking statements. Forward-looking statements can generally be identified by use of words such as "may", "should", "could", "foresee", "plan", "aim", "will", "expect", "intend", "project", "estimate", "anticipate", "believe", "forecast", "target", "outlook", "guidance" or "continue" or similar expressions. Forward looking statements in this announcement include statements about Verbrec's financial condition and performance.

Such statements represent Verbrec's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social risks, contingencies and uncertainties.

These forward-looking statements are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Verbrec and its related bodies corporate and affiliates (and each of their respective directors, securityholders, officers, employees, partners, agents, advisers and management), and could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements or any projections and assumptions on which those statements are based.

Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Verbrec disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not predictions or guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.