

Simonds Group Limited

ACN: 143 841 801

Financial Report for the year ended 30 June 2026



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simonds.com.au

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Directors' report

The directors of Simonds Group Limited (the "Company") submit herewith the annual financial report of the consolidated entity consisting of the Company and the entities it controlled (the "Group") for the financial year ended 30 June 2026. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Information about the directors

The names of the directors of the Company during or since the end of the financial year are:

Current Directors		
Name	Date appointed ¹	Current Position
Rhett Simonds	20 April 2016	Chief Executive Officer (CEO) and Executive Chair
Mark Simonds	20 September 2017	Executive Director
Piers O'Brien	20 September 2017	Non-Executive Director
Andrew Bloore	27 July 2021	Non-Executive Director
Richard Grellman	9 May 2023	Independent Non-Executive Director
Michael Sukkar ²	21 August 2025	Independent Non-Executive Director

The particulars of the directors are as follows:

NAME	EXPERIENCE AND DIRECTORSHIPS
Rhett Simonds	- Rhett is the CEO, Executive Chair of the Board and is a member of the Audit & Risk Committee and the Nomination & Remuneration Committee. - Rhett holds a Bachelor of Commerce from Deakin University. - Rhett has been involved with the business since joining the Simonds Group of Companies in 2005. Rhett has a strong focus on the property and construction sector, where he sits on a number of private company boards. - In addition to his experience in the property and construction sector, Rhett is a director of and investor in a number of technology and finance related businesses.
Mark Simonds	- Mark is an Executive Director of the Board and is a member of the Audit & Risk Committee and the Nomination & Remuneration Committee. - Mark holds a registered builder's licence in Victoria, NSW, Queensland and South Australia. Mark has spent over 40 years immersed in the volume home building industry. - Prior to Simonds Group Limited listing in 2014, Mark was fully engaged in the day-to-day executive management of Simonds Homes. From 1973 until its listing, Mark worked alongside his father Gary Simonds and understands what is required for a successful volume building business. - Mark is the Deputy Chair of Simonds Family Office, which is primarily focussed on venture capital, private equity, building and construction and the broader real estate sector.

¹ At the Company's 2025 Annual General Meeting the Company received a "second strike" on its Remuneration Report and the conditional spill resolution was carried by shareholders. Consequently, the Company held an extraordinary general meeting on 21 January 2026 (Spill Meeting) at which each of the directors (other than the Managing Director Rhett Simonds) who held office at the time the 2025 Remuneration Report was approved, ceased to hold office and stood for re-election. This applied to Mark Simonds, Andrew Bloore, Richard Grellman and Piers O'Brien. Michael Sukkar was appointed after the 2025 Remuneration Report was approved, so was not required to vacate his office. Each of Mark Simonds, Andrew Bloore, Richard Grellman and Piers O'Brien were re-elected at the Spill Meeting.

² On 21 August 2025 Simonds announced the appointment of Hon. Michael Sukkar as an Independent Non-Executive Director.

NAME	EXPERIENCE AND DIRECTORSHIPS
Andrew Bloore	• Andrew was appointed the Deputy Chair of the Board on 11 April 2025. • Andrew is an experienced Non-Executive Director, Entrepreneur, and farmer. He has designed, built and sold a number of businesses focussed on the development of key disruptive technologies and distribution services in traditional markets, to create business efficiencies including Smartsuper, SuperIQ and Class Super. • Andrew has worked on a range of Senate and Treasury Committees, and with the Australian Taxation Office Regulations Committee on regulation of the superannuation industry. • In 2016, Andrew sold his superannuation administration business to AMP, stepped down from the Senate and Treasury Committees and is now focussed on contributing to the organisations as a Non-Executive Director. • Andrew was a Non-Executive Director of Simonds Family Office Pty Ltd until 1 May 2024. • Andrew is Chairman of Guild Group Holdings Ltd, and an Independent, Non-Executive Director of Steadfast Group Limited. He was an Independent Non-Executive Director of Insignia Financial Limited until 24 April 2026.
Piers O'Brien	• Piers is the Chair of the Group's Nomination & Remuneration Committee and a member of the Audit & Risk Committee. • Piers is a qualified lawyer with over 20 years' professional experience. • Piers is the Chief Executive Officer of the Simonds Family Office before which he spent the previous 12 years working in in-house legal roles as both General Manager Legal and General Counsel. During this time, he managed the legal function at ASX 200 company Skilled Group Limited for approximately 8 years. • Piers started his career in private practice with K&L Gates Lawyers (and its predecessor firms) where he spent 8 years specialising in mergers and acquisitions, corporate transactions and board advisory work.
Richard Grellman	• Richard is an Independent, Non-Executive Director of Simonds Group Limited. He is the Chair of the Group's Audit & Risk Committee and a member of the Nomination & Remuneration Committee. • Richard is Chairman of FBR Ltd and Lead Independent Director of The Salvation Army in Australia. • Richard has been a professional non-executive director since 2000. Prior to that, he worked at KPMG for 32 years, including as a partner from 1982 to 2000. His practice focussed on the provision of strategic advice and services to the Financial Services sector. • In 2007, Richard was appointed a member of the Order of Australia for service to the community, particularly through leadership roles with Mission Australia and fundraising with Variety, The Children's Charity, and to the finance and insurance sectors.
Michael Sukkar	• The Hon. Michael Sukkar is a member of the Audit & Risk Committee and the Nomination & Remuneration Committee. • Michael is currently a Chair, Non-Executive Director and Adviser to a range of unlisted businesses in the property, engineering, information technology, mining, agriculture and infrastructure sectors. • During his time in Parliament, Michael served as a Minister in a range of portfolios and was the Chair or Member of a number of Parliamentary Committees. This included serving as Assistant Treasurer, Minister for Housing and Minister for Homelessness, Social and Community Housing during the COVID-19 pandemic. In Opposition, Michael was the Shadow Minister for

NAME	EXPERIENCE AND DIRECTORSHIPS
	Housing and a range of other portfolios, as well as the Manager of Opposition Business in the House of Representatives.
	Michael is a qualified legal practitioner, admitted to practice in the Supreme Court of Victoria, and prior to entering Parliament was a Senior Associate with Ashurst Australia and Senior Consultant at PricewaterhouseCoopers. He is also an Adjunct Professor at the University of Canberra, in the Faculty of Business, Government and Law.

Directors' shareholding

The following table sets out each of the directors' relevant interest in shares and rights or options on shares of the Company or related body corporate as at the date of this report:

Directors	Fully Paid Ordinary shares (Number)	Share options (Number)
Rhett Simonds	14,044	-
Mark Simonds	56,741	-
Andrew Bloore	848,683	-
Piers O'Brien	-	-
Richard Grellman	-	-
Michael Sukkar	-	-

Company Secretary

Amanda Jones continues her role as Company Secretary of Simonds Group Limited. Amanda is a member of the Executive Leadership Team and the Group's Chief Legal Officer. Amanda holds a Bachelor of Arts /Bachelor of Laws (Hons) from Monash University and is a Fellow of the Governance Institute of Australia. Prior to joining the Group, Amanda held the roles of General Counsel & Company Secretary and General Manager Corporate Services at MaxiPARTS Limited (ASX:MXI, formerly MaxiTRANS Industries Limited).

Operating and Financial Review

Principal activities

The Group's principal activities during the year were the design, sale and construction of residential dwellings, together with related residential building activities conducted through its established retail, wholesale, projects, medium-density and other alternative sales channels.

There were no significant changes in the nature of the Group's principal activities during the year, other than the continued scaling of alternative sales channels, the full-year contribution from Dennis Family Homes following its acquisition in FY25, and the establishment of a 50/50 joint venture to expand into Western Australia.

Business Overview

Simonds Group Limited is a leading Australian volume homebuilder with a long-established customer proposition across detached homes and adjacent residential housing segments. The Group provides customers with a broad range of floorplans, facades and product options across metropolitan and regional markets.

FY26 was a significant year of operational delivery and strategic maturity for the Group. The multi-channel strategy implemented over the preceding 18 months matured during the year, supporting broader exposure to retail customers, wholesale and developer partners, projects, medium-density opportunities and completed or near-complete housing product. This channel diversity increased the Group's ability to respond to affordability pressures, changing buyer preferences, land availability and investor demand.

The successful integration of Dennis Family Homes was a key contributor to the FY26 result. The integration expanded the Group's product range, regional market reach, display footprint, employee capability and customer pipeline. It also supported procurement, product, operational and back-office scale benefits that contributed to volume and revenue growth.

Operations

Revenue from continuing operations for the year was \$729.1 million, compared with \$665.6 million in the prior reporting period, an increase of 9.5%. The increase reflected higher site start volumes, the full-year contribution from Dennis Family Homes, improved sales conversion and continued growth in alternative sales channels.

The Group delivered 1,772 site starts during the year, an increase of 16.1% compared with FY25 (1,526 site starts). The growth in site starts reflected the benefit of an expanded display network, a broader product range, improved customer segmentation, ongoing demand for affordable and turnkey homes and increased activity across wholesale, projects, medium-density and investor-related channels.

The FY26 result demonstrated the benefits of a more diversified operating model. Traditional retail detached housing remained core to the Group, while alternative channels provided additional volume, pipeline resilience and revenue opportunities in a market where customer affordability, land availability and speed to site remain important determinants of demand.

Gross margin for the year was 24.0%, compared with 22.3% in FY25, an improvement of approximately 175 basis points. Margin performance reflected disciplined pricing, procurement management, mix benefits, construction productivity initiatives and the progressive realisation of Dennis Family Homes integration benefits. Operating expenses increased by 6.8% to \$132.6 million (FY25: \$124.2 million), a lower rate of growth than revenue, and include continued investment in growth channels, display and customer experience, systems and capability, while maintaining a continued focus on disciplined cost management and productivity.

The operational leverage created through the improved margins, in conjunction with the disciplined cost management, resulted in a 76.8% increase in EBITDA to \$42.5 million (FY25: \$24.0 million), with EBITDA margin expanding to 5.8% from 3.6%. Profit before tax increased to \$16.1 million (FY25: \$2.0 million), reflecting the improved trading result and the non-repeat of \$6.2 million of one-off transaction and integration costs incurred in FY25 in relation to the Dennis Family Homes acquisition. Statutory NPAT for the year was \$10.5 million (FY25: \$1.0 million), the Group's strongest annual NPAT result since listing.

In FY26 the Group established a 50/50 joint venture to expand its geographic footprint into Western Australia. The joint venture recorded a start-up loss of \$0.6 million for which the Group has 50% liability, therefore \$0.3m, reflecting establishment and early trading costs consistent with the investment phase of a new market entry. The Group's investment in the joint venture was carried at \$1.0 million at 30 June 2026. This investment represents the next step in scaling operations through strategic partnerships in targeted growth regions, utilising the Group's established brand to deliver long-term shareholder value.

Earnings per share

The following table sets out the Group's earnings per share for the year:

Earnings per share	30 June 2026 Cents	30 June 2025 Cents
Basic earnings per share from continuing operation	3.05	0.39
Weighted average shares used in basic EPS	359,906,450	359,906,450

Balance sheet

At 30 June 2026 the Group had available liquidity of \$39.1 million, comprising cash of \$16.5 million and undrawn facilities of \$22.6 million, compared with available liquidity of \$47.7 million at 30 June 2025 (cash of \$23.3 million and undrawn facilities of \$24.4 million). The reduction in available liquidity primarily reflects the \$7.1 million settlement of Dennis Family Homes deferred consideration and increased investment in working capital to support higher inventory and site start activity, partially offset by the year's improved trading result.

The balance sheet reflects the full-year impact of the Dennis Family Homes acquisition, including intangible assets, goodwill and related acquisition accounting balances recognised in the prior period. Intangible assets reduced to \$16.8 million (FY25: \$20.7 million), reflecting amortisation during the year. Deferred consideration associated with the acquisition of \$7.1 million was settled during the year.

Inventories and display homes were \$31.9 million, compared with \$21.2 million in FY25, reflecting the expanded display footprint following the Dennis Family Homes integration, growth in spec home stock, and higher work-in-progress associated with increased site start activity. The Group continues to manage working capital through disciplined site start governance and active liquidity management.

Operating cash flows

Net operating cash flows for the year were \$25.3 million, compared with \$39.4 million in FY25, a decrease of \$14.2 million. The decrease principally reflected working capital movements associated with higher inventory and site start activity, partially offset by the stronger earnings result. The Group continued to prioritise liquidity, cash discipline and working capital governance.

Net cash used in investing activities was \$14.0 million (FY25: \$1.4 million), reflecting the \$7.1 million settlement of Dennis Family Homes deferred consideration together with \$4.0 million of payments for property, plant and equipment, including continued investment in display homes and showrooms, and \$1.5 million of payments for intangible assets.

Future developments

The Board expects the demand environment to remain influenced by interest rates, macroeconomic policies, customer borrowing capacity, land availability, affordability, government housing policy and consumer confidence. Notwithstanding these factors, the Group is well positioned through a broader product suite, expanded brand and display footprint, disciplined cost management and a more diversified multi-channel strategy.

In FY27, the Group expects to continue to build on the momentum established in FY26 by:

- leveraging the Simonds Homes and Dennis Family Homes brands to increase conversion across retail and regional markets;
- growing medium-density, investor and other alternative channels where returns and risk settings are acceptable;
- expanding product and pricing solutions that respond to demand for affordable, turnkey, smaller-lot and medium-density homes;
- continuing procurement, construction productivity and overhead efficiency initiatives;
- embedding data, analytics, automation and AI-enabled process improvement to strengthen customer experience and operational execution; and
- progressing the geographic growth opportunity in Western Australia.

Summary of key business risks

The Board remains confident about the Group's future trading performance and acknowledges there are certain factors that may pose a risk to the achievement of the Group's business strategies and future performance.

There are some risks specific to the Group's home building business, as well as external risks, such as the economic environment, over which the Group has no control. The Group operates in a cyclical

market and is exposed to risks that may affect sales, site starts, build programs, margin, cash flow and customer outcomes.

The Group's risk management approach is to identify, evaluate, mitigate and manage its financial, operational, and business risks. The risk assessment approach includes an estimation of the likelihood of risk occurrence and potential impacts on the financial results. Risks are assessed across the business and reported to the Audit & Risk Committee and to the Board where required under the Group's Risk Management Framework.

Impact of macroeconomic pressures

Interest rates, cost-of-living pressures and consumer confidence continue to influence residential housing demand. These factors can affect deposit conversion, contract signing, cancellations and pricing outcomes.

The Group seeks to mitigate these pressures through disciplined market monitoring, product and pricing initiatives, smaller-lot and turnkey offerings, channel diversification, customer finance support, cost management and flexibility across brands, geographies and sales channels.

Management will continue to adjust the product and channel mix to align with customer affordability and market demand.

Land availability, affordability and planning

Land availability, land prices, release of developer programs, planning approvals and utilities connections can influence customer demand, and the timing of site starts. Constraints in these areas may delay starts, increase customer affordability pressure or affect the Group's ability to convert sales into construction activity.

The Group manages this risk through relationships with land developers, diversified sales channels, a broader geographic and product footprint, smaller-lot and medium-density designs, and active monitoring of sales-to-site conversion metrics.

Supply chain, trade and construction delivery

Material cost movements, supply availability, trade capacity, construction cycle times, regulatory changes and warranty outcomes remain key operational risks for residential builders. These risks can affect margin, customer experience and cash flow, particularly under fixed-price contracting arrangements.

The Group mitigates these risks through supplier and trade frameworks, procurement discipline, estimating and pricing governance, construction scheduling, quality assurance, warranty management and continuous review of build cycle performance.

Multi-channel strategy execution

The multi-channel strategy has strengthened the Group's operating model by diversifying revenue and pipeline sources. However, varied growth across the different channels requires disciplined execution, clear channel profitability, working capital governance and appropriate risk allocation.

Management monitors this risk through channel-specific profitability reporting, pipeline governance, build program oversight, and periodic review of capital allocation. The Group will continue to scale channels selectively where they meet return, margin and risk objectives.

Liquidity

The Group is exposed to liquidity risk because of the timing of customer claims, supplier payments cycles, land and inventory commitments, and corporate overheads.

The Group manages liquidity through short- and medium-term cash forecasting, facility covenant oversight, supplier payment discipline and capital allocation governance. As at 30 June 2026, available liquidity was \$39.1m.

Information technology and data security

The Group relies on information systems and data to manage all aspects of its operations. A significant cyber incident, system outage or data breach could affect operations, customer service, regulatory compliance, privacy obligations, reputation and financial performance.

The Group continues to invest in capability that supports IT governance, cyber security controls, staff awareness training, penetration testing and incident response capability.

People, safety and culture

The Group's ability to deliver homes and support customer outcomes depends on its employees, suppliers and onsite safety culture. Employee engagement, capability, and retention of key people remain important drivers of operational and financial performance.

These risks are managed through a robust safety governance framework, investing in programs that will enhance employee engagement through leadership development, and systems that support employee development and training

Management also continues to assess the role of data, automation and AI-enabled tools in improving operational efficiency while maintaining appropriate governance and controls.

Subsequent events

There are no events that occurred subsequent to the reporting date that may significantly affect Group's operations, results or state of affairs in future periods.

Dividends

The Directors have declared a final dividend of 0.5 cents per share in relation to the 2026 financial year (2025: nil). The final dividend will be 100% franked and will be paid on 27 November 2026.

Indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary, and all Executive Officers of the Company and of any related body corporate against a liability incurred as such a director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 7 Board meetings, 4 Nomination & Remuneration Committee meetings and 6 Audit & Risk Committee meetings were held.

	Board of Directors		Nomination & Remuneration Committee		Audit & Risk Committee	
Directors	Held	Attended	Held	Attended	Held	Attended
Rhett Simonds	7	7	4	4	6	6
Mark Simonds	7	7	4	4	6	6
Andrew Bloore	7	6	4	3	6	5
Piers O'Brien	7	7	4	4	6	6
Richard Grellman	7	6	4	4	6	6
Michael Sukkar ¹	6	6	4	4	4	4

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 29 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit & Risk Committee, for the following reasons:

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

¹ On 21 August 2025 Simonds announced the appointment of Hon. Michael Sukkar as an Independent Non-Executive Director.

Remuneration report

Dear Shareholders,

On behalf of the Board, I am pleased to present the Simonds Group Remuneration Report for the financial year ended 30 June 2026.

FY26 was a year of continued progress for the Group. The board and management have remained focused on disciplined cost management, margin improvement and operational performance, while continuing to execute the multi-channel strategy. Investment across greenfield retail, knockdown rebuild, wholesale, projects and medium-density has broadened our channels to market and created multiple pathways for future growth. The successful integration of Dennis Family Homes further strengthened our market presence and customer reach, while our controlled strategic expansion into Western Australia represents an important step towards establishing a truly national footprint.

I commend management for the significantly improved financial results over the last 12 months, notwithstanding that demand in Victoria remains subdued. The improved financial results reflect the outcomes of a clear strategy and tighter execution. In turn, this has been underpinned by:

- Bolstering of the Executive team through several key appointments directly in line with the strategic requirements of the business; and
- Introducing more robust recruitment processes for senior executive appointments.

This strengthened leadership capability and clarity of accountability positions the Group to execute its strategy and support its next phase of growth.

Alongside this, we continued to strengthen our organisational and people foundations. The relocation of our Melbourne headquarters to Collins Square brought our Victorian metro-based teams together in a more connected environment, supporting greater collaboration and reinforcing our One Team approach. This was complemented by the launch of The Simonds Way, bringing together our Values, Leadership Principles and One Team philosophy to establish clear expectations for how we lead, work together and hold ourselves accountable.

We also continued to strengthen the systems and disciplines that support performance across the Group. The implementation of HiBob established an integrated people platform and improved workforce visibility, while our refreshed Performance Development Framework and annual performance cycle created greater clarity around performance, development and accountability. Our People & Culture operating model also evolved towards greater strategic and commercial business partnering, further integrating workforce and organisational considerations into business planning and decision-making.

Importantly, FY26 saw further strengthening of our executive remuneration framework, with greater discipline and alignment between executive reward, business performance and outcomes for all shareholders. The Short-Term Incentive framework introduced clear financial and individual performance gateways, reinforcing that incentive outcomes are earned through both business performance and values-aligned leadership. Our Long-Term Incentive framework continues to align executive reward with sustainable long-term performance and shareholder value creation.

Together, these initiatives have strengthened the leadership, organisational and performance foundations of the Group and position Simonds to deliver sustainable value for our customers, our people and our shareholders.

The Board continues to consider the appropriate mix of skills and experience of our Directors to ensure it is well positioned to guide the Company through its next phase.

On behalf of the Board, I extend our sincere thanks to our people for their commitment and contribution throughout FY26 and invite shareholders to consider our Remuneration Report, which will be presented at the Annual General Meeting.



Piers O'Brien

Chair, Nomination & Remuneration Committee

Introduction

This remuneration report, which forms part of the Directors' report, sets out information about the remuneration of Key Management Personnel (**KMP**) for the year ended 30 June 2026.

In addition to the Directors, the following executives are also KMP of the Group during or since the year ended 30 June 2026.

Senior Executives

Name	Position
Rhett Simonds	Chief Executive Officer and Executive Chair
Bertus Strydom	Chief Financial Officer

Remuneration Policy Summary

Simonds Group Limited remuneration policy is designed to attract, retain, and motivate high calibre talent capable of driving sustainable business performance, delivering on strategic priorities and creating long-term value for shareholders.

Key guiding principles that support the remuneration policy include:

- **Market competitiveness:** Remuneration is set with reference to external market benchmarks, internal job value, and individual capability and performance.
- **Performance alignment:** A balanced mix of fixed and variable remuneration ensures executive rewards are linked to both individual contribution and Group performance.
- **Strategic enablement:** The framework is designed to support talent attraction, development and retention aligned to current and future business needs.
- **Simplicity and scalability:** Remuneration structures are scalable and adaptable across business units and growth phases.
- **Values reinforcement:** The policy supports and reinforces our culture of accountability, safety, and care for our customers and people.
- **Ongoing review:** The remuneration framework is reviewed regularly to ensure relevance, fairness, and alignment with evolving business and shareholder expectations.

Executive Remuneration Principles and Strategy

Simonds Group's approach to executive remuneration is anchored in performance alignment, market competitiveness, and strategic accountability. A core principle of the framework is that executive remuneration should clearly reflect both Group performance and shareholder outcomes.

To support this, a significant portion of executive reward is delivered through variable, performance-linked components—both short- and long-term—that are contingent on the achievement of defined business results and individual contribution.

Executive remuneration is structured based on the following considerations:

- Alignment with the Group's purpose, strategy, and performance expectations.
- External market benchmarking, with reference to remuneration levels and practices among similarly sized ASX-listed organisations, particularly within the residential construction and adjacent sectors.
- The scale, complexity and criticality of the individual's role and portfolio.
- Delivery against both financial and non-financial performance expectations, including leadership, culture, and risk management.

This framework supports a consistent approach to executive reward—driving behaviours that are commercially focused and aligned to long-term value creation.

The Nomination & Remuneration Committee

The Nomination & Remuneration Committee plays a critical role in ensuring that Simonds Group's remuneration practices are fair, fit-for-purpose, and aligned to the organisation's strategic objectives and shareholder expectations.

The Committee provides oversight and advice to the Board on:

- Executive and KMP remuneration outcomes.
- Group-wide remuneration policy and processes.
- Succession planning for key leadership roles.
- Performance and incentive structures across the organisation.

The Committee ensures that remuneration frameworks support Simonds' broader business imperatives in key areas like capability development, leadership accountability, and performance delivery.

To support its responsibilities, the Committee engages independent advisors from time to time to provide market insights, conduct benchmarking, and offer guidance on remuneration design and governance.

The Group also subscribes to independent remuneration and market data sources including industry-specific reports by AON and Mercer to inform remuneration benchmarking and design decisions.

To ensure the integrity of all decisions, no individual is present during any discussions relating to their own remuneration arrangements. Further details of the Committee's role and governance responsibilities are available in the Committee's Charter at www.simondsgroup.com.au.

Non-Executive Director Remuneration

During the year ended 30 June 2026, fees paid to non-executive Directors totalled \$513,644 (inclusive of superannuation). On 21 August 2025, Michael Sukkar was appointed Independent Non-Executive Director. There were no increases in fees paid to non-executive directors in FY26.

The maximum annual aggregate for fees paid to Non-Executive Directors is \$750,000. This limit was approved at the Annual General Meeting of Simonds Group Limited held on 2 October 2014.

Non-executive Directors are not appointed for a specific term, and their appointment may end by notice from the individual Director or otherwise pursuant to section 203B or 203D of the Corporations Act 2001 and the Company's constitution.

KMP Remuneration Framework

The remuneration framework for Key Management Personnel (**KMP**) is designed to drive alignment between executive performance, business outcomes, and shareholder value creation. It comprises three integrated components:

- **Total Fixed Remuneration (TFR):**
A guaranteed annual package that includes base salary, statutory superannuation, and any role-related allowances. TFR is set with reference to market benchmarks, and the scope and complexity of each executive's role.
- **Short-Term Incentive (STI):**
A variable, performance-linked component designed to reward annual contribution against clearly defined financial, strategic, and individual objectives.
- **Long-Term Incentive (LTI):**
A deferred, at-risk reward component designed to drive sustained performance and retention. LTI is delivered in the form of performance rights, options, or cash-based equivalents, with vesting contingent on multi-year performance hurdles and continued service.

This framework supports a high-performance culture by reinforcing accountability, incentivising strategic delivery, and ensuring that remuneration outcomes reflect both short-term execution and long-term value creation.

Executive Remuneration Components

TFR overview

TFR represents the fixed component of executive remuneration and includes base salary, superannuation, and applicable allowances. TFR levels are benchmarked against the market median (50th percentile), with reference to remuneration practices across comparable ASX-listed organisations of similar size and industry focus.

While external benchmarks are reviewed periodically to ensure competitiveness, adjustments to TFR are not automatic and remain at the discretion of the Board, based on performance, market movement, and role scope.

STI overview

The FY26 STI framework was refined to strengthen the alignment between executive reward, Group performance, strategic delivery and individual accountability.

For FY26, two mandatory eligibility gateways apply before any STI can be earned. First, the Group must achieve at least 100% of its Board-approved NPAT target. If this financial gateway is not achieved, no STI is payable, irrespective of performance against other measures.

Second, participants must achieve a minimum individual performance rating and demonstrate behaviours aligned with the Group's values and leadership expectations.

Subject to both gateways being achieved, STI outcomes are assessed against a balanced scorecard comprising 50% NPAT, 30% divisional strategic priorities and 20% non-financial measures across safety, customer, people and ESG outcomes.

The FY26 framework reflects the Group's continued focus on strengthening performance discipline and executive accountability, ensuring incentive outcomes are aligned with financial performance, strategic execution and values-aligned leadership.

STI outcomes remain subject to Board approval following finalisation of the Group's FY26 financial results.

As at the date of this report, no STI payments have been approved or made in respect of the FY26 performance year.

LTI overview

The Group's Long-Term Incentive (**LTI**) framework is designed to align executive reward with sustained business performance and long-term shareholder value creation, while supporting the retention of key executive talent.

For FY26, eligible executives were granted an LTI opportunity equivalent to 20% of base salary delivered in the form of performance rights. The FY26 grants are subject to a three-year performance period through to FY28, with vesting contingent on the achievement of predetermined financial performance hurdles and continued service.

The performance hurdles are linked to adjusted EBITDA, reflecting the Group's focus on profitable and sustainable growth and ensuring that executive reward is aligned with the creation of long-term value. Vesting outcomes increase according to the level of performance achieved, with the Board retaining discretion over final vesting outcomes in accordance with the terms of the plan.

The FY26 LTI framework is intended to:

- align executive interests with those of shareholders;
- encourage sustained focus on long-term financial and strategic performance; and
- support the retention of executives critical to the delivery of the Group's strategy.

Details of the LTI grants issued during FY26 and are set out in the tables that follow:

Long term Incentive Key Features

Award Structure	FY2026 Performance Rights	
Consideration for the Performance Rights	The Performance Rights will be granted for nil consideration.	
Grant Date	19 December 2025	
Expiry Date	15 th Anniversary of the Grant Date	
Vesting Date	30 June 2028	
Performance Measure	Vesting of Performance Rights is dependent on one discrete performance measure (hurdle): <i>FY2028 Adjusted EBITDA</i> The performance measure is to achieve an EBITDA target for the financial year ending 30 June 2028.	
EBITDA Vesting Schedule	<i>FY2028 Adjusted EBITDA¹</i>	<i>Percentage of Performance Rights to vest:</i>
	\$54m	50%
	\$60m	75%
	\$73m	100%
Service Vesting Condition	The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.	
Other conditions	These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.	

Award Structure	FY2025 Performance Rights	
Consideration for the Performance Rights	The Performance Rights will be granted for nil consideration.	
Grant Date	18 December 2024	
Expiry Date	15 th Anniversary of the Grant Date	
Vesting Date	30 June 2027	
Performance Measure	Vesting of Performance Rights is dependent on one discrete performance measure (hurdle): <i>FY2027 Adjusted EBITDA per share</i> The performance measure is to achieve an EBITDA per share target for the financial year ending 30 June 2027.	
EPS Vesting Schedule	<i>FY2027 Adjusted EBITDA per share²</i>	<i>Percentage of Performance Rights to vest:</i>
	Below \$0.092	None
	At \$0.092	50%
	Between \$0.092 and \$0.103	Straight line pro-rata vesting between 50% and 100%
	At or above \$0.103	100%
Service Vesting Condition	The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.	
Other conditions	These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.	

¹ When assessing Adjusted EBITDA outcomes, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period..

² When assessing Adjusted EBITDA outcomes for FY2024, FY2025 and FY2026 performance rights, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period.

Award Structure	FY2024 Performance Rights	
Consideration for the Performance Rights	The Performance Rights will be granted for nil consideration.	
Grant Date	18 December 2024	
Expiry Date	15 th Anniversary of the Grant Date	
Vesting Date	30 June 2026	
Performance Measure	Vesting of Performance Rights is dependent on one discrete performance measure (hurdle): <i>FY2026 Adjusted EBITDA per share</i> The performance measure is to achieve an EBITDA per share target for the financial year ending 30 June 2026.	
EPS Vesting Schedule	<i>FY2026 Adjusted EBITDA per share</i>	<i>Percentage of Performance Rights to vest:</i>
	Below \$0.062	None
	At \$0.062	50%
	Between \$0.062 and \$0.069	Straight line pro-rata vesting between 50% and 100%
	At or above \$0.069	100%
Service Vesting Condition	The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.	
Other conditions	These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.	

The following tables provide details of performance rights allocated to KMP pursuant to the LTI Plan.

Number of equity settled performance rights granted, vested, and expired/forfeited

FY2026						
Name	Performance Rights 1 July 2025	Performance Rights Granted	Performance Rights Vested	Performance Rights Expired / Forfeited	Other	Balance 30 June 2026
B Strydom	915,248	502,197	-	-	-	1,417,445
TOTAL	915,248	502,197	-	-	-	1,417,445

Remuneration Structure and Performance/Shareholder Wealth Creation

The Group's annual financial performance and indicators of shareholder wealth are summarised below.

Financial Performance	FY2026	FY2025	FY2024	FY2023	FY2022
	Statutory Actual ²	Statutory Actual ²	Statutory Actual ²	Statutory Actual ²	Statutory Actual
	\$m	\$m	\$m	\$m	\$m
Revenue	729.1	665.6	663.5	722.4	687.5
EBITDA	42.5 ¹	24.0	23.3	(11.4)	3.7
NPAT	10.5	1.0	4.0	(23.3)	(9.7)
Share Price at end of period (\$)	0.14	0.15	0.16	0.16	0.20
Dividends (cents per share) ³	-	-	-	-	-
EPS (cents per share) ⁴	3.05	0.39	0.84	(9.18)	(8.33)

¹ Statutory EBITDA is net profit after tax from continuing operations \$10.978m before financing items \$2.577m, tax expense \$5.144m, share of loss in investment of joint venture \$0.321m and depreciation and amortisation \$23.473m.

² The Madisson business was discontinued on 21 January 2016 and is classified as a discontinued operation after this date. As the Madisson business is a discontinued operation it is not reflected in the results presented above for FY2017-2022. The Group's wholly owned subsidiary, Builders Academy Australia was disposed 30 November 2021. BAA was classified as a discontinued operation for current financial year with comparative information re-presented.

³ On 30 September 2026, the Directors declared a final dividend of 0.5 cents per share in relation to FY2026.

⁴ EPS is based on Earnings for continuing operations only.

Remuneration Tables – Details of KMP Remuneration

Details of the remuneration of KMP, including directors of the Group are set out in the following tables.

FY2026	Short Term Employee Benefits					Termination Benefits	Post-employment benefits	Long-term benefits	Share-based Payments (SBP)		Percentage of remuneration fixed and at risk	
	Directors Fees \$	Cash Salary and Fees \$	Short Term Incentive \$	Non-monetary benefits \$	Annual Leave \$	Termination Payments \$	Super \$	Long Service Leave \$	Performance Rights / Options \$	Total \$	Fixed %	At Risk %
Current Non-Executive Directors												
R Grellman	120,000	-	-	-	-	-	14,400	-	-	134,400	100%	0%
P O'Brien	118,460	-	-	-	-	-	3,275	-	-	121,735	100%	0%
A Bloore	156,951	-	-	-	-	-	18,834	-	-	175,785	100%	0%
M Sukkar ¹	72,968	-	-	-	-	-	8,756	-	-	81,724	100%	0%
Total	468,379	-	-	-	-	-	45,265	-	-	513,644		
Current Executive Directors												
R Simonds ²	250,000	699,932	-	27,244	56,868	-	30,000	14,109	-	1,078,153	100%	0%
M Simonds	224,215	-	-	17,120	17,123	-	26,906	4,567	-	289,931	100%	0%
Total	474,215	699,932	-	44,364	73,991	-	56,906	18,676	-	1,368,084		
Current Senior Executives												
B Strydom	-	425,000	-	21,234	38,484	-	30,000	12,965	85,693	613,376	86%	14%
Total	-	425,000	-	21,234	38,484	-	30,000	12,965	85,693	613,376		
TOTAL KMP	942,594	1,124,932	-	65,598	112,475	-	132,171	31,641	85,693	2,495,104		

¹ On 21 August 2025 Simonds announced the appointment of Hon. Michael Sukkar as an Independent Non-Executive Director.

² On 11 April 2025, SIO announced that Mr Rhett Simonds was appointed the Group CEO and will retain his role as Executive Chair.

FY2025	Short Term Employee Benefits					Termination Benefits	Post-employment benefits	Long-term benefits	Share-based Payments (SBP)		Percentage of remuneration fixed and at risk	
	Directors Fees \$	Cash Salary and Fees \$	Short Term Incentive \$	Non-monetary benefits \$	Annual Leave \$	Termination Payments \$	Super \$	Long Service Leave \$	Performance Rights / Options \$	Total \$	Fixed %	At Risk %
Current and former Non-Executive Directors												
R Grellman	120,000	-	-	-	-	-	13,800	-	-	133,800	100%	0%
P O'Brien	91,702	-	-	-	-	-	10,546	-	-	102,248	100%	0%
A Bloore	120,173	-	-	-	-	-	13,820	-	-	133,993	100%	0%
D Denny ¹	68,072	-	-	-	-	-	7,828	-	-	75,900	100%	0%
Total	399,947	-	-	-	-	-	45,994	-	-	445,941		
Current Executive Directors												
R Simonds ²	55,128	718,904	180,000	20,270	46,501	-	29,932	16,440	-	1,067,175	83%	17%
M Simonds ³	120,458	-	-	14,264	33,123	-	13,853	23,835	-	205,533	100%	0%
Total	175,586	718,904	180,000	34,534	79,624	-	43,785	40,275	-	1,272,708		
Current and former Senior Executives												
D McKeown ⁴	-	454,830	118,800	8,187	-	314,862	29,932	-	-	926,611	87%	13%
B Strydom	-	370,068	72,000	10,534	30,526	-	29,932	8,559	3,657	525,276	86%	14%
Total	-	824,898	190,800	18,721	30,526	314,862	59,864	8,559	3,657	1,451,887		
TOTAL KMP	575,533	1,543,802	370,800	53,255	110,150	314,862	149,643	48,834	3,657	3,170,536		

¹ On 11 April 2025, Mr David Denny resigned as director of Simonds.

² On 11 April 2025, SIO announced that Mr Rhett Simonds was appointed the Group CEO and will retain his role as Executive Chair.

³ On 11 April 2025, Mr Mark Simonds was appointed as Executive Director – Design, Procurement and Construction.

⁴ On 11 April 2025, Mr. David McKeown resigned as the Group's Chief Executive Officer.

Executive Service Agreements

Name	Contract Length	Minimum Notice Period	
		Termination by Executive	Termination by Company
R Simonds	No fixed term	6 months	6 months
M Simonds	No fixed term	3 months	3 months
B Strydom	No fixed term	6 months	6 months

STI Payments to KMP

As at the date of this report, no STIs have been paid to KMP in respect of FY26.

KMP Shareholdings

Shareholdings of KMP are set out below:

FY2026	Number of shares			
Name	Opening balance	Acquired	Other	Closing balance
Non-executive Directors				
A Bloore	848,683	-	-	848,683
Total Non-Executive Directors	848,683	-	-	848,683
Executive Directors				
R Simonds	14,044	-	-	14,044
M Simonds	56,741	-	-	56,741
Total Executive Directors	70,785	-	-	70,785
TOTAL KMP	919,468	-	-	919,468

FY2025	Number of shares			
Name	Opening balance	Acquired	Other	Closing balance
Non-executive Directors				
A Bloore	848,683	-	-	848,683
Total Non-Executive Directors	848,683	-	-	848,683
Executive Directors				
R Simonds	14,044	-	-	14,044
M Simonds	56,741	-	-	56,741
Total Executive Directors	70,785	-	-	70,785
TOTAL KMP	919,468	-	-	919,468

Loans to Director

The Group has not provided any loans to directors or their related parties during the year ended 30 June 2026 (2025: Nil).

Other KMP Transactions

During the year, group entities entered into the following transactions with related parties which are not members of the Group.

Profit for the year includes the following items of revenue and expense that resulted from transactions, other than compensation, loans or equity holdings, with KMP or their related entities:

	Sales of goods		Cost of goods		Leases and services rendered		Non-cash remuneration	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	\$	\$	\$	\$	\$	\$	\$	\$
Vallence Gary Simonds and related entities¹:								
Properties leased on an arms-length basis	-	-	-	-	276,522	273,000	-	-
Advisory fee paid during the year	-	-	-	-	102,283	101,827	-	-
Remuneration for employee services	-	-	-	-	87,049	85,151	-	-
Car park provided	-	-	-	-	-	-	33,406	21,069
	-	-	-	-	465,854	459,978	33,406	21,069
Simonds Family Office Pty Ltd²								
Properties and car park provided	-	-	-	-	14,880	33,115	-	-
Construction contracts	1,721,371	3,561,576	1,425,515	2,828,451	-	-	-	-
Consulting services	-	-	-	-	450,000 ³	271,671	-	-
Remuneration for employee services ⁴	-	-	-	-	172,236	-	-	-
Car park provided	-	-	-	-	-	-	21,234	-
	1,721,371	3,561,576	1,425,515	2,828,451	637,116	304,786	21,234	-
Mark Simonds and related entities:								
Payment for use of building licence	-	-	-	-	541,667	393,939	-	-
Remuneration for employee services ⁵	-	-	-	-	103,838	79,047	7,969	9,294
Cost of SIO personnel on external projects ⁶	-	-	-	-	39,926	15,043	-	-
Car park provided	-	-	-	-	-	-	21,234	-
	-	-	-	-	685,431	488,029	29,203	9,294
Rhett Simonds and related entities:								
Construction contracts ⁷	462,632	-	432,350	-	-	-	-	-
Total	2,184,003	3,561,576	1,857,865	2,828,451	1,788,401	1,252,793	83,843	30,363

¹ Vallence Gary Simonds is a beneficial owner of 73.9% of ordinary shares

² Mark Simonds and Rhett Simonds are directors of Simonds Family Office Pty Ltd, the family office of the majority shareholder

³ The consulting services relate to Piers O'Brien providing advisory related services to Group. Piers is also Chief Executive Officer of Simonds Family Office Pty Ltd

⁴ Amount represents wages recharged at arms' length for services provided by employees of Simonds Family Office Pty Ltd, who are family members of KMP.

⁵ Amount represents wages recharged at arm's length for services provided by family members of KMP.

⁶ Amount represents wages including on-costs recharged at cost + agreed margin for services provided by Group employees to related party.

⁷ Subsequent to year-end and upon completion of true-up of costs in line with the cost-plus agreement, a final invoice of \$56,306 + GST was raised which is reflected in the above figures.

At 30 June 2026, \$260,157 (2025: \$886,029) was owed by Simonds Family Office Pty Ltd to the Group for constructions builds. These contracts were at arms' length. As at the date of signing of the financial statements, this balance had been settled in full.

\$62,489 (2025: \$8,797) was payable from the Group to Vallence Gary Simonds and related entities and Simonds Family Office Pty Ltd for property leased and car parking lease. This payable was settled in full after year end.

Mutual vendor arrangements

The Simonds family and the Group have been part of the Australian construction industry for more than 76 years. Over this period the Simonds family have developed strong relationships and partnerships with multiple vendors. After the listing of the Group, these same vendors remained an integral part in the supply and delivery of construction projects to the Group. Certain suppliers of the Group also provide goods or services to entities associated with the Simonds Family Office and to Simonds family members, specifically Gary Simonds, Mark Simonds and Rhett Simonds. These mutual vendors at times provide discounts and pricing arrangements directly to the Simonds Family Office or Simonds family members based on those long-standing relationships.

The Group assessed these arrangements, including whether the Group funded, surrendered or was otherwise economically disadvantaged by any benefit provided. Based on the information available and the procedures undertaken, the Group did not bear any financial cost nor forgo any financial benefit as a result of the discounts or benefits provided on these transactions as reported across FY25 and FY26.

Rather, the arrangements reflected the strength of these long-standing supplier relationships between the Simonds family and the suppliers. These relationships and these suppliers also supported the Group through some of the toughest trading conditions experienced over the past 12-years. The Group also receives various benefits such as rebates, priority allocations of raw materials, guaranteed supply, and other benefits from these suppliers.

Related party construction through the Group

The Simonds Family office has constructed three homes through the Group over the FY25/26 financial periods, and these agreements were on an arms-length basis as disclosed.

Separately, as an executive of the Group, in FY26 Rhett Simonds constructed a home on a cost-plus basis, in line with the board approved Group policy available to all executives. The Group negotiated further discounts from suppliers on this project, which forms part of the overall cost incurred. This full cost of the project, plus the agreed margin, was invoiced to Rhett Simonds consistent with the agreed cost-plus arrangement.

Use of Group personnel

The Group separately identified instances in which Group personnel provided support in connection with related-party projects. The cost of that support has been estimated and invoiced as described below. This support includes advice regarding site matters or arranging quotes with vendors. Historically the Group did not view the time spent by these resources as material in nature.

As part of the review of FY26 financial statements, the Group has quantified the value of the ad-hoc assistance provided on a time-based approach, by project. The Group assessed that the value of these services provided at cost for FY26 is \$39,926 (FY25: \$15,043). The assessed cost includes all applicable on-costs, such as superannuation, taxes, levies, and other employee entitlements. These amounts have been invoiced to the relevant related parties at cost + agreed margin. The Group has implemented a policy that will limit or aim to avoid such cost, but if incurred will be recharged quarterly.

The Group also considered whether arrangements of a similar nature existed before FY25 and identified that similar relationships and practices existed over a longer period. Based on the information currently

available, the Group believes the nature of those relationships was broadly consistent with the arrangements described above. Due to limitations in the availability and reliability of historical records, it was not practicable to reliably quantify any such arrangements for those earlier periods. Accordingly, based on the procedures performed and information currently available, the Group has not identified a material adjustment affecting periods before FY25. The Group has nevertheless determined to continue consideration of earlier periods and will consider financial reporting and continuous disclosure implications should additional relevant information become available.

Completeness and significant judgements

In preparing this remuneration report, the Group considered declarations obtained from directors and key management personnel, related entities and projects, the use of Group personnel and resources, and mutual vendor arrangements. The disclosures reflect the related party relationships, transactions and balances identified from the information available as at the date of this report.

Auditor's independence declaration

The auditor's independence declaration is included after this report on page 23.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2026/183, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

This Directors' report is signed in accordance with a resolution of directors pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Rhett Simonds', with a stylized, sweeping flourish at the end.

Rhett Simonds

Chief Executive Officer (CEO) and Executive Chair

Melbourne, 30 September 2026



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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SIMONDS GROUP LIMITED

In relation to our audit of the financial report and of our review of specific Sustainability Disclosures in the Sustainability Report of Simonds Group Limited for year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A stylized handwritten signature in black ink that reads 'PKF'.

PKF

Melbourne, 30 September 2026

A handwritten signature in black ink that reads 'K. Weldin'.

Kenneth Weldin

Partner

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMONDS GROUP LIMITED**Report on the Audit of the Financial Report****Opinion**

We have audited the accompanying financial report of Simonds Group Limited (the Company) and its controlled entities (collectively 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, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors' Declaration of the Company and the consolidated entity (the Group) comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

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

Key Audit Matters

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

Key audit matter	How our audit addressed this matter
<u>Revenue recognition and work in progress on construction contracts</u> The Group's revenue for the year ending 30 June 2026 amounted to \$729.1m (FY25: \$665.6m). In addition, there were associated contract-related liabilities and assets which unwind from the balance sheet as the Group satisfies related contracted performance obligations. • Accrued revenue: \$50.7m (FY25: \$38.7m) • Deferred Revenue: \$21.5m (FY25: \$15.9m) Revenue from construction contracts is recognised based on the satisfaction of performance obligations. There is judgement applied by the Group in determining construction revenue with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. As disclosed in Note 4, significant management estimation is required in assessing the percentage of completion of construction contracts. The recognition of revenue and the related accounting for contract costs involves estimation and judgement and impacts the measurement of significant assets and liabilities. As such we have identified this as a key audit matter.	Our procedures included, but were not limited to, the following: • Reviewing and evaluating Management's revenue recognition policy and assessing the principles, judgements and estimates outlined therein to AASB 15 and customer contracts. • Conducting a walkthrough of controls in operation across the Group and evaluating their design and implementation. • Testing the operating effectiveness of these controls in place with respect to the revenue recognition process and associated contract asset and contract cost balances. • Performing analytical reviews to understand the movements in revenue relative to performance in previous years and budget expectations. • Testing the integrity of the work in progress reconciliation and monthly reports to the corresponding revenue and costs of goods sold recognised in the statement of profit or loss. • Recalculating revenue recognised based on the stage of completion for a sample of jobs across each revenue segment. • Evaluating Management's impairment assessment over recognised work in progress balances, with a particular focus on any jobs with a forecast or actual negative margin. • Reviewing the appropriateness of the presentation and disclosure of revenue related balances within the financial statements.

Key audit matter	How our audit addressed this matter
<u>Related Party Relationships, Transactions and Disclosures</u> As disclosed in Note 27, the Group has relationships and transactions with directors, key management personnel, close family members, associated entities and other related parties. The principal audit risk did not relate solely to the recording of individual transactions but also to whether related party relationships, transactions and arrangements including those with close family members and associated entities requiring disclosure under the applicable financial reporting framework had been appropriately identified and evaluated. Significant auditor judgement was required in evaluating the completeness of related party information obtained from management and governance processes, assessing the reliability of management representations and determining the nature and extent of independent corroborative audit procedures. Given the significance of founder and family-related relationships, the judgement involved in assessing the completeness of related party information, and the extent of audit procedures required to evaluate related party relationships, transactions and disclosures, we determined this matter to be a key audit matter.	Our procedures included an expanded assessment of related party populations, projects, supplier relationships and associated arrangements, together with targeted corroborative procedures directed at identified higher-risk relationships and transactions. These procedures included, but were not limited to, the following: • Reviewing and evaluating management's processes for identifying, recording and disclosing related party relationships and transactions. • Assessing Board, governance and other relevant records to identify related party relationships and transactions requiring consideration for financial reporting purposes. • Identifying and assessing populations relating to known related parties, family members, associated entities, identified related party projects and other relationships relevant to the completeness assessment. • Evaluating governance processes, declarations, registers and other records relevant to the identification, monitoring and disclosure of related party relationships and transactions. • Testing selected related party transactions and arrangements, including inspection of underlying agreements, approvals, supporting documentation, accounting treatment and settlement where applicable. • Performing procedures over identified related party projects, including consideration of project costs, labour allocations, variations, approvals and the nature, business rationale and accounting treatment of transactions. • Performing procedures over supplier relationships and common supplier populations, including consideration of contractual arrangements, procurement arrangements, rebates, incentives, relationship ownership and other matters relevant to the related party risk assessment. • Conducting interviews with directors, executives and operational personnel and evaluating the consistency of information obtained with other audit evidence. • Performing procedures responsive to the risk of management override, including consideration of cost reallocations, approvals and other transactions identified through the expanded audit response. • Assessing the adequacy of the disclosures included in the financial report against the requirements of AASB 124 Related Party Disclosures.

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, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and in doing so, we 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 information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

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

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:
 - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue the 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 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 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 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 other 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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



From the matters communicated 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 Other Legal and Regulatory Requirements

Report on the Remuneration report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2026. In our opinion, the Remuneration Report of the Company 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.

A stylized, handwritten signature of the PKF firm, featuring the letters 'PKF' in a cursive, interconnected script.

PKF

Melbourne, 30 September 2026

A handwritten signature of Kenneth Weldin, written in black ink, appearing to read 'K. Weldin'.

Kenneth Weldin

Partner

Directors' declaration

The directors declare that:

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

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed, guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 3 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Rhett Simonds', with a stylized flourish at the end.

Rhett Simonds

Chief Executive Officer (CEO) and Executive Chair

Melbourne, 30 September 2026

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

		30 June 2026 \$'000	30 June 2025 \$'000
	Notes		
Continuing operations			
Revenue	4	729,146	665,637
Cost of sales		(554,077)	(517,430)
Gross profit		175,069	148,207
Expenses	9	(132,576)	(124,167)
Profit before financing items, depreciation and amortisation		42,493	24,040
Depreciation and amortisation charges	15,16,34	(23,473)	(19,706)
Profit before financing items and tax		19,020	4,334
Financing items			
Interest income		178	11
Interest expense	6	(2,755)	(2,346)
Net financing cost		(2,577)	(2,335)
Share of loss of joint venture	35	(321)	-
Profit before tax		16,122	1,999
Income tax expense	7	(5,144)	(600)
Profit from continuing operations after tax		10,978	1,399
Discontinued operations			
Loss from discontinued operations after tax	8	(527)	(384)
Profit after tax for the year		10,451	1,015
Other comprehensive income, net of income tax			
Total comprehensive profit for the year		10,451	1,015
Earnings per share			
From continuing operations			
Basic (cents per share)	10	3.05	0.39
Diluted (cents per share)	10	3.01	0.39
From continuing and discontinued operations			
Basic (cents per share)	10	2.90	0.28
Diluted (cents per share)	10	2.86	0.28

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

As at 30 June 2026

	Notes	30 June 2026 \$'000	30 June 2025 \$'000
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		16,499	23,338
Trade and other receivables	11	37,198	46,078
Accrued revenue	12	50,698	38,732
Inventories	13	31,880	21,208
Other assets	17	5,828	2,793
Total current assets		142,103	132,149
<i>Non-Current Assets</i>			
Property, plant and equipment	15	4,588	2,526
Intangible assets	16	16,824	20,712
Right-of-use assets	34	30,188	15,747
Investment in joint venture	35	1,015	-
Deferred tax assets	7	-	37
Total non-current assets		52,615	39,022
Total assets		194,718	171,171
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	18	81,541	83,337
Tax payable	7	573	-
Deferred revenue	19	21,479	15,855
Borrowings	20	827	754
Lease liability	34	12,695	11,595
Provisions	21	11,935	14,629
Contingent consideration	36	2,480	7,630
Total current liabilities		131,530	133,800
<i>Non-Current Liabilities</i>			
Lease liability	34	18,080	5,241
Provisions	21	10,554	10,693
Contingent consideration		-	1,900
Deferred tax liabilities	7	4,308	-
Total non-current liabilities		32,942	17,834
Total liabilities		164,472	151,634
Net assets		30,246	19,537
Equity			
Issued capital	22	37,867	37,867
Reserves	23	21,917	21,659
Accumulated losses		(29,538)	(39,989)
Total equity		30,246	19,537

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2026

Consolidated	Notes	Issued capital \$'000	Share based payments reserve \$'000	Share buy-back reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 July 2024		37,867	28,848	(7,204)	(41,004)	18,507
Profit after tax for the year		-	-	-	1,015	1,015
Employee Share plan expense	28	-	15	-	-	15
Balance at 30 June 2025		37,867	28,863	(7,204)	(39,989)	19,537
Balance at 1 July 2025		37,867	28,863	(7,204)	(39,989)	19,537
Profit after tax for the year		-	-	-	10,451	10,451
Employee Share plan expense	28	-	258	-	-	258
Balance at 30 June 2026		37,867	29,121	(7,204)	(29,538)	30,246

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2026

	Notes	30 June 2026 \$'000	30 June 2025 \$'000
Cash flows from operating activities			
Receipts from customers		804,852	786,763
Payments to suppliers and employees		(776,980)	(745,064)
Cash generated from operations		27,872	41,699
Interest received	6	178	11
Finance costs	6	(2,755)	(2,346)
Net cash generated from operating activities	31	25,295	39,364
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		24	23
Payments for property, plant and equipment	15	(4,093)	(1,902)
Payments for intangible assets	16	(1,501)	(1,553)
Net cashflow (used in)/ from acquisition of subsidiaries		(7,050)	2,049
Investment in joint venture	35	(1,336)	-
Net cash (used in) investing activities		(13,956)	(1,383)
Cash flows from financing activities			
Net proceeds / (payments) of borrowings		73	(89)
Repayment of lease principal		(18,251)	(16,201)
Net cash (used in) financing activities		(18,178)	(16,290)
Net (decrease) /increase in cash and cash equivalents		(6,839)	21,691
Cash and cash equivalents at the beginning of the year		23,338	1,647
Cash and cash equivalents at the end of the year		16,499	23,338

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements

1. General information

The Company is incorporated in Australia and is a for-profit entity.

The Company's registered office and principal place of business is as follows:

Tower 2, Level 17
727 Collins St,
Docklands, VIC 3008

These financial statements comprise the consolidated financial statements of the Company and the entities it controls (the "Group"). The Group's principal activities during the financial year were the design, sale and construction of residential dwellings.

2. Application of new and revised accounting standards

Amendments to AASBs and the new interpretation that are effective and adopted for the current year

New accounting standards relevant to the Group that are effective for the period are as follows:

- *AASB S2 Climate-related Disclosures*

There are no new standards effective in the current financial year that have a material effect on the financial statements of the Group.

Standards and interpretations in issue not yet adopted

- *AASB 18 – Presentation and Disclosure in Financial Statements (effective 1 January 2027)*

There will be some presentation and disclosure changes but no changes to reported financial position or performance of the Group as a result of the implementation of this standard.

At the date of signing these financial statements, the Directors have reviewed all Standards and Interpretations on issue but not yet effective and do not expect these Standards and Interpretations to have a material effect on the financial statements of the Group.

3. Material accounting policies

Statement of compliance

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

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). The financial statements were authorised for issue by the directors on 30 September 2026.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost except for contingent consideration which is measured at fair value.

All amounts are presented in Australian dollars, unless otherwise noted.

Comparatives have been reclassified where appropriate to ensure consistency and comparability with the current period.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has achieved profit after tax of \$10.451m (2025: Profit after tax: \$1.015m) and positive operating cash flows of \$25.295m (2025: \$39.364m) for the year ended 30 June 2026. The strong financial performance was predominantly attributable to margin performance reflecting disciplined pricing, procurement management and productivity initiatives. Furthermore, the results reflected a more diversified operating model where alternative channels provided additional volume and resilient pipeline.

As at 30 June 2026, the Group had a positive net asset value position of \$30.246m (2025: \$19.537m) and cash balance of \$16.499m (2025: \$23.338m) measured by cash and cash equivalents. The reduction in cash balance compared to prior period is predominantly attributable to ongoing investment in display network and alternative channels, which are expected to deliver long-term value to the Group. The Group's liquidity remains strong and there is sufficient headroom to support the forecasted working capital needs.

Interest rates, cost-of-living pressures and consumer confidence continue to influence residential housing demand. These factors can affect deposit conversion, contract signing, cancellations and pricing outcomes.

The Group seeks to mitigate these pressures through disciplined market monitoring, product and pricing initiatives, smaller-lot and turnkey offerings, channel diversification, customer finance support, cost management and flexibility across brands, geographies and sales channels. Management will continue to adjust the product and channel mix to align with customer affordability and market demand.

Based on the available information to the Directors at the date of signing this financial report, the Directors are of the opinion that the Group will be able to pay its debts as and when they fall due and accordingly the Directors consider it appropriate for the financial report to be prepared on the going concern basis.

4. Revenue

Accounting policy

Revenue recognition

Construction contracts

Contracts entered into are for the construction of residential homes. The construction of each dwelling is taken to be one performance obligation. The transaction price is normally fixed at the start of the contract. When a variation for the building works is required and agreed upon per the contract, the variation will be included in the transaction price and accounted for accordingly.

Revenue earned is referenced to the stage of completion of the contract activity, based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Our customers are invoiced on achievement of each key milestone in the build program. Invoices are paid on normal commercial terms. Deposit payments received prior to work being performed are recognised as deferred revenue on the balance sheet.

Display homes

Revenue in respect of the sale of display homes is recognised at a point in time when control is transferred to purchaser which is determined to be the property settlement date. Revenue is measured at the transaction price agreed under the contract.

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 (as this is the point in time when there can be reasonable assurance that there will not be significant reversal) 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. The estimate is based on all available information including historic performance. Where variations in design or requirements are entered into, the transaction price is updated to reflect these when the variation has been agreed.

Contract assets and liabilities

The Group has adopted the terms accrued revenue for ‘contract assets’ and deferred revenue for ‘contract liabilities’ as defined within AASB 15 ‘Revenue from Contracts with Customers’. Accrued revenue is the Group’s right to payment for goods and services transferred to a customer where that right to payment is conditional on something other than passage of time. Deferred revenue is the Group’s obligation to transfer goods or services to a customer at the earlier of (a) when the customer pays consideration or (b) the time that the customer’s consideration is due for goods and services the Group will yet provide.

Contract fulfilment costs

Costs incurred prior to the commencement of construction of building may arise due to feasibility studies, environmental impact studies and preliminary design activities as these are costs incurred to fulfil a contract. Where these costs are expected to be recovered, they are capitalised and amortised over the course of the contract consistent with the transfer of service to the customer. Where the costs, or a portion of these costs, are reimbursed by the customer, the amount received is recognised as deferred revenue and allocated to the performance obligations within the contract and recognised as revenue over the course of the contract.

Incremental costs

Commissions payable to sales consultants in respect of contracts to build are recognised as an asset when expected to be recovered and released over the period of the build.

Financing components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Other revenue

Revenue received in respect of the Group arranging a purchaser to acquire land from a land developer is recognised once all benefits of owning the land are transferred to the new owner.

The following is an analysis of the Group’s revenue for the year.

	30 June 2026 \$'000	30 June 2025 \$'000
Continuing operations		
Revenue from residential construction contracts	729,146	665,637
	729,146	665,637
Discontinued operations		
	-	-
	729,146	665,637

Critical accounting judgement - percentage of completion on the construction contracts

Percentage complete is based on the estimated cost to construct a building incurred to date, compared against the total estimated cost of completing that building. The total cost of that build is based on a historical average of similar builds. The amount of revenue recognised during the build is based on this percentage complete calculation. This historical average is reviewed annually to ensure that it is a materially accurate reflection of current build costs.

Estimate of construction contracts on a percentage completion basis, in particular with regard to accounting for variations of cost, the timing of profit recognition and the amount of profit recognised can often result in an adjustment to the reported revenues and expenses and/or the carrying amount of assets and liabilities.

5. Segment information

Products and services from which reportable segments derive their revenue

Information on segment performance focuses on the types of products and services the Group provides.

As part of its revenue diversification strategy, the Group has adopted a multi-channel approach to market. These channels represent different routes to market for the same underlying residential construction service, rather than distinct operating segments. As such, no operating segments have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group's reportable segments are:

- *Residential construction* - this includes activities relating to contracts for residential home construction, speculative home building and the building of display home inventory.
- *Discontinued operations*

Madisson Homes Australia Pty Ltd is a subsidiary of the Group and in the prior years formed part of the residential construction segment. Madisson Homes operated in the medium density market, building apartments and townhouses for commercial developers using the concepts, designs and specifications provided by the developers. Consistent with the prior reporting period, this business unit has been presented as a discontinued operation (refer note 8 for more information).

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

	Segment revenue		Segment profit before tax	
	30 June 2026 \$'000	30 June 2025 \$'000	30 June 2026 \$'000	30 June 2025 \$'000
Continuing operations				
Residential construction	729,146	665,637	16,122	1,999
	729,146	665,637	16,122	1,999
Discontinued operations	-	-	(753)	(549)
Consolidated segment revenue and profit before tax for the period	729,146	665,637	15,369	1,450

Segment assets and liabilities

Segment assets

Residential construction	194,314	170,728
Discontinued operations	404	406
Total segment assets	194,718	171,134
Deferred tax assets	-	37
Total assets	194,718	171,171

	30 June 2026 \$'000	30 June 2025 \$'000
Segment liabilities		
Residential construction	159,074	151,113
Discontinued Operations	517	521
Total segment liabilities	159,591	151,634
Current tax payable	573	-
Deferred tax liabilities	4,308	-
Total liabilities	164,472	151,634

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments. Intersegment assets and liabilities have been eliminated from the figures quoted above.

Other segment information

	Interest expense		Depreciation and amortisation	
	30 June 2026 \$'000	30 June 2025 \$'000	30 June 2026 \$'000	30 June 2025 \$'000
Continuing operations				
Residential construction	(2,755)	(2,346)	(23,473)	(19,706)
Discontinued operations	-	-	-	-
Total	(2,755)	(2,346)	(23,473)	(19,706)

	Additions to non-current assets	
	30 June 2026 \$'000	30 June 2025 \$'000
Continuing operations		
Residential construction	39,266	41,517
Discontinued operations	-	-
	39,266	41,517

Revenue by Geographical region

The Group operates in one geographical area – Australia. The Group's revenue and profits are all generated from this region.

Information about major customers

No single customer contributed 10% or more to the Group's revenue for the year ended 30 June 2026 and the year ended 30 June 2025.

6. Finance costs

	30 June 2026 \$'000	30 June 2025 \$'000
Interest received	178	11
Interest on bank overdrafts, loans and leases	(2,755)	(2,346)
	(2,577)	(2,335)

7. Income taxes

Tax consolidation

The entities, except the trusts within the Group have formed a tax-consolidated group with effect from 1 July 2010 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Simonds Group Limited. Current tax expense/(income), deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in those entities using the 'separate taxpayer within group' approach by reference to the

carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts.

The tax funding arrangements require payments to/(from) the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivable/(payable) are at call. Contributions to fund the tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Income tax recognised

	30 June 2026 \$'000	30 June 2025 \$'000
Current tax		
Expense in respect of the current year	573	-
	573	-
Deferred tax		
Expense in respect of the current years	2,687	841
Expense / (benefit) in respect of prior years	1,658	(406)
	4,345	435
Consolidated income tax expense recognised in the current year	4,918	435
Income tax expense from continuing operations	5,144	600
Income tax (benefit) from discontinued operations	(226)	(165)
	4,918	435

The income tax expense can be reconciled to the accounting profit as follows:

Profit before tax from continuing operations	16,122	1,999
(Loss) before tax from discontinued operations	(753)	(549)
Profit before tax	15,369	1,450
Income tax expense calculated at 30% (2025: 30%)	4,611	435
Effect of Executive Share Based Payments non-deductible	77	-
Effect of expenses that are not deductible in determining taxable profit	137	-
Other adjustments	93	-
	4,918	435
Adjustments recognised in the current year in relation to deferred and current tax of prior years	-	-
Income tax expense recognised in profit or loss	4,918	435
Income tax expense from continuing operations	5,144	600
Income tax (benefit) from discontinued operations	(226)	(165)
	4,918	435

The tax rate used for the 2026 and 2025 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

	30 June 2026 \$'000	30 June 2025 \$'000
Current tax assets and liabilities		
Income tax (payable) / refundable	(573)	-
Deferred tax balances		
Amounts recognised in profit or loss		
Deferred tax assets	20,849	15,088
Deferred tax liabilities	(25,157)	(15,051)
Net deferred tax (liability) / asset	(4,308)	37

2026	Opening balance \$'000	Under / over \$'000	Recognised in profit or loss \$'000	Recognised in Goodwill \$'000	Closing balance \$'000
Construction Contracts income	(5,182)	-	106	-	(5,076)
Product Design	(477)	-	(145)	-	(622)
Property, Plant, Equipment & Intangibles	120	-	709	-	829
Provision for warranty and contract maintenance	(470)	-	(7)	-	(477)
Employee Entitlements	1,880	-	(1,970)	-	(90)
DTA on losses	1,138	-	(867)	-	271
Other	3,028	(1,658)	(513)	-	857
	37	(1,658)	(2,687)	-	(4,308)

2025	Opening balance \$'000	Under / over \$'000	Recognised in profit or loss \$'000	Recognised in Goodwill \$'000	Closing balance \$'000
Construction Contracts income	(12,282)	-	7,100	-	(5,182)
Capitalised Courses and Product Design	(565)	-	88	-	(477)
Property, Plant, Equipment & Intangibles	1,261	-	409	(1,550)	120
Provision for warranty and contract maintenance	366	-	(836)	-	(470)
Employee Entitlements	1,696	-	184	-	1,880
DTA on losses	10,600	-	(9,462)	-	1,138
Other	946	406	1,676	-	3,028
	2,022	406	(841)	(1,550)	37

8. Discontinued Operations

Madisson Business

Following a comprehensive review initiated by the Directors on 16 November 2015, the Group announced a plan for the orderly closure of the Madisson business unit of the Group on 21 January 2016 upon completion of the remaining projects. All projects were completed in financial year ended 30

June 2017. As part of the warranty rules under the statutory regulations, the business is still incurring liability for warranty claims. As such, the expenses are predominantly related to warranty and related activities.

Financial performance for the year from the Madisson business

	30 June 2026 \$'000	30 June 2025 \$'000
Expenses		
Insurance claim proceeds	38	-
Maintenance & warranty	(791)	(549)
Total (expense) / recoveries	(753)	(549)
(Loss) before tax	(753)	(549)
Attributable income tax benefit	226	165
(Loss) after tax for the year	(527)	(384)

9. Expenses for the year

Profit on disposal of property, plant and equipment and intangible assets	11	9
Marketing and selling expenses	(23,863)	(16,535)
Corporate and administrative expenses	(22,079)	(19,822)
Employee benefits expense	(86,645)	(81,636)
Transaction and related expenses	-	(6,183)
	(132,576)	(124,167)

10. Earnings per share

	30 June 2026 Cents per share	30 June 2025 Cents per share
From continuing operations		
Total basic profit per share	3.05	0.39
Total diluted profit per share	3.01	0.39
From continuing and discontinued operations		
Total basic profit per share	2.90	0.28
Total diluted profit per share	2.86	0.28

Basic earnings per share

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

	30 June 2026 \$'000	30 June 2025 \$'000
From continuing operations		
Profit for the year attributable to owners of the Company	10,978	1,399
From continuing and discontinued operations		
Profit for the year attributable to owners of the Company	10,451	1,015

	Shares	Shares
Weighted average number of ordinary shares for the purposes of the basic earnings per share	359,906,450	359,906,450

Diluted earnings per share

	30 June 2026 \$'000	30 June 2025 \$'000
From continuing operations		
Profit for the year attributable to owners of the Company	10,978	1,399
From continuing and discontinued operations		
Profit for the year attributable to owners of the Company	10,451	1,015

	Shares	Shares
Weighted average number of ordinary shares for the purposes of the basic earnings per share	359,906,450	359,906,450
Shares deemed to be issued for no consideration in respect of: Performance Rights / Options	5,111,052	3,304,511
Weighted average number of ordinary shares for the purposes of the diluted earnings per share	365,017,502	363,210,961

11. Trade and other receivables

	30 June 2026 \$'000	30 June 2025 \$'000
Current		
Trade receivables	36,278	45,261
	36,278	45,261
Other receivables	920	817
	37,198	46,078

Trade receivables

The average settlement terms for progress invoices in relation to residential contracts are between 7 and 45 days. The Group has written off all receivables that are known to be uncollectable. Prior to accepting a new customer for the construction of a dwelling, the Group ensures that appropriate contractual terms are in place with the customer and that the customer has secured financing in advance of the commencement of construction.

In determining the recoverability of a trade receivables, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated and dwellings constructed for customers serving as a security against the receivable.

Age of receivables from continuing operations that are past due but not impaired

46 - 60 days	1,608	3,074
61 - 90 days	1,403	2,191
91 - 120 days	918	988
Over 120 days	2,146	2,407
Total	6,075	8,660
Average age (days)	108	99

Receivables past due but not impaired primarily relate to final settlement payments upon completion of construction and supplier rebate. The Group has included in its considerations for any expected credit loss of these receivables, with no current material indication requiring a provision as at 30 June 2026. The aged debt beyond the standard terms is expected to be fully recoverable as it primarily relates to completion/settlement payments where disbursements can be delayed due to various factors such as delays in bank valuations, final inspections and minor site works. There were no bad debts recognised in the profit and loss statement for the year ended 30 June 2026.

12. Accrued revenue

	30 June 2026 \$'000	30 June 2025 \$'000
Work in progress on residential construction contracts	50,698	38,732

13. Inventories

Speculative homes	5,256	5,368
Display land stock	26,789	15,949
Provision for impairment of inventories	(165)	(109)
	31,880	21,208

Land cost includes the cost of acquisition, development, borrowings and all other costs directly related to specific projects.

Display home costs include direct costs of building display homes. Speculative home costs include direct costs of building speculative homes.

The impairment provision of display homes above is assessed using recent market values. This assessment includes current independent valuations, current offers to purchase the display homes, and current asking prices to sell these display homes.

14. Subsidiaries

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

Name	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			2026	2025
Simonds Homes Victoria Pty Ltd	Residential – Victoria	Australia	100%	100%
Simonds Homes NSW Pty Ltd	Residential – NSW	Australia	100%	100%
Simonds Queensland Constructions Pty Ltd	Residential – Queensland	Australia	100%	100%
Simonds SA Pty Ltd	Residential – South Australia	Australia	100%	100%
Simonds WA Holdings Pty Ltd	Residential – Western Australia	Australia	100%	100%
Madisson Homes Australia Pty Ltd	Residential – Victoria	Australia	100%	100%
Simonds Personnel Pty Ltd	Payroll service entity	Australia	100%	100%
Simonds Assets Pty Ltd	Asset service entity	Australia	100%	100%
Simonds IP Pty Ltd	Intellectual property service entity	Australia	100%	100%
Simonds Corporate Pty Ltd	Asset service entity	Australia	100%	100%
Jackass Flat Developments Pty Ltd	Land development and sales	Australia	100%	100%
Simonds Land Development Pty Ltd	Land development and sales	Australia	100%	100%
Bridgeman Downs Land Project Pty Ltd	Land development and sales	Australia	100%	100%
Discover Developments Pty Ltd	Land development and sales	Australia	100%	100%
Discover Gisborne Pty Ltd	Land development and sales	Australia	100%	100%
Simonds DFH Pty Ltd	Residential	Australia	100%	100%

- Simonds Group Limited is the head entity within the tax consolidated group.
- All Group subsidiaries are members of the tax consolidated group.
- Simonds Group Limited and its subsidiaries have entered into a deed of cross guarantee with Simonds Group Limited pursuant to ASIC Class Order 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.
- Simonds WA Holdings Pty Ltd was previously named as Simonds WA Pty Ltd. The Company name changed on 20 Jan 2026.
- The above companies represent a “Closed Group” for the Class Order. The closed Group’s Statement of Profit or loss and Other Comprehensive Income for the year and closed group’s Statement of Financial Position as at 30 June 2026 are the same as the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year and the Consolidated Statement of Financial Position as at 30 June 2026 disclosed on pages 31-32.

15. Property, plant and equipment

Accounting policy

The carrying amount of property, plant and equipment which is measured on the cost basis, is subject to impairment testing and is reviewed to determine whether they are in excess of their recoverable amount at balance date.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value.

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

	Useful life
Leasehold improvements	5 years or the period of the lease
Computer equipment	3 - 5 years
Office furniture and fittings	5 years
Display home furniture, fixtures and fittings	2 years
Motor vehicles	5 years
Plant and equipment	5 years

	Leasehold improvements \$'000	Computer equipment \$'000	Office furniture & fittings \$'000	Display home furniture, fixtures & fittings \$'000	Motor Vehicles \$'000	Plant and equipment \$'000	Total \$'000
Cost							
Balance at 1 July 2024	4,211	7,781	2,061	4,340	499	277	19,169
Additions	-	184	312	1,406	-	-	1,902
Disposals	-	(483)	(156)	(916)	-	(23)	(1,578)
Balance at 30 June 2025	4,211	7,482	2,217	4,830	499	254	19,493
Cost							
Balance at 1 July 2025	4,211	7,482	2,217	4,830	499	254	19,493
Additions	2,668	101	295	1,029	-	-	4,093
Disposals	(22)	(1,143)	(152)	(1,049)	(457)	-	(2,823)
Balance at 30 June 2026	6,857	6,440	2,360	4,810	42	254	20,763
Accumulated depreciation							
Balance at 1 July 2024	(3,842)	(6,613)	(1,893)	(3,489)	(499)	(277)	(16,613)
Depreciation expense	(170)	(538)	(106)	(1,067)	-	-	(1,881)
Disposals	-	444	144	916	-	23	1,527
Balance at 30 June 2025	(4,012)	(6,707)	(1,855)	(3,640)	(499)	(254)	(16,967)
Accumulated depreciation							
Balance at 1 July 2025	(4,012)	(6,707)	(1,855)	(3,640)	(499)	(254)	(16,967)
Depreciation expense	(238)	(329)	(114)	(1,097)	-	-	(1,778)
Disposals	22	1,043	93	955	457	-	2,570
Balance at 30 June 2026	(4,228)	(5,993)	(1,876)	(3,782)	(42)	(254)	(16,175)
Net book value							
As at 30 June 2025	199	775	362	1,190	-	-	2,526
As at 30 June 2026	2,629	447	484	1,028	-	-	4,588

16. Intangible Assets

Accounting policy

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

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

	Useful Life
Computer Software	3 years
Capitalised Product Designs	3 years
Forward order book	2-3 years

Internally-generated intangible assets – research and development expenditure

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill

On acquisition date, Goodwill is measured as the excess of the sum of the consideration transferred, and the fair value of the net of the amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is an indefinite life intangible and after acquisition, is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses. Any impairment loss for goodwill is recognised directly in profit or loss.

Goodwill impairment testing

As at 30 June 2026, goodwill of \$10.705m was allocated to the residential construction segment level. Management have determined a single CGU is appropriate for the Group.

The recoverable amount of the CGU is based on value-in-use calculations, which require the use of management assumptions based on historical data, experience, known market conditions, and external factors. The calculation uses cash flow projections covering a 3-year period based on financial budgets and forecasts approved by the Board for the subsequent year.

The Group has determined that the recoverable amount calculations are most sensitive to changes in the following assumptions:

- Earnings before interest and taxes (EBIT) during the budget/ forecast period (3 years)
- EBIT average growth rate: 5.0% p.a. from FY29 to FY31.
- Terminal growth rate: 3.0 % p.a.
- Post Tax WACC: 16.0%

Detailed sensitivity testing was performed on the CGU by reducing EBIT and increasing long term growth rate.

During the year ending 30 June 2026, the Group determined that there is no impairment of goodwill with Indefinite useful lives.

	Computer Software \$'000	Capitalised Product Designs \$'000	Forward order book \$'000	Goodwill \$'000	Total \$'000
Cost					
Balance at 1 July 2024	7,375	7,097	-	-	14,472
Additions	633	919	-	-	1,552
Acquisition through business combinations	-	1,000	4,971	12,344	18,315
Disposals	-	(1,970)	-	-	(1,970)
Balance at 30 June 2025	8,008	7,046	4,971	12,344	32,369
Cost					
Balance at 1 July 2025	8,008	7,046	4,971	12,344	32,369
Adjustment to provisional goodwill	-	-	-	(1,639) ¹	(1,639)
Additions	759	742	-	-	1,501
Disposals	(1,449)	(3,404)	-	-	(4,853)
Balance at 30 June 2026	7,318	4,384	4,971	10,705	27,378
Accumulated amortisation					
Balance at 1 July 2024	(6,338)	(5,119)	-	-	(11,457)
Amortisation Expense	(554)	(976)	(640)	-	(2,170)
Disposals	-	1,970	-	-	1,970
Balance 30 June 2025	(6,892)	(4,125)	(640)	-	(11,657)
Accumulated amortisation					
Balance at 1 July 2025	(6,892)	(4,125)	(640)	-	(11,657)
Amortisation Expense	(587)	(1,238)	(1,920)	-	(3,745)
Disposals	1,449	3,399	-	-	4,848
Balance 30 June 2026	(6,030)	(1,964)	(2,560)	-	(10,554)
Net Book Value					
As at 30 June 2025	1,116	2,921	4,331	12,344	20,712
As at 30 June 2026	1,288	2,420	2,411	10,705	16,824

¹ Refer to note 36 for details.

17. Other assets

	30 June 2026 \$'000	30 June 2025 \$'000
Prepayments	5,638	2,575
Other assets	190	218
	5,828	2,793

18. Trade and other payables

Trade payables	57,452	53,328
Construction accruals	17,745	21,967
Goods and services tax payable	1,497	2,160
Other payables and accruals	4,847	5,882
	81,541	83,337

Trade payables are unsecured and payment terms vary from 30 days (end of month) to 55 days from invoice. The subcontractors are paid within 7 days of the invoice.

19. Deferred revenue

Balance at beginning of the period	15,855	11,332
Net other movements	5,624	2,760
Acquisition through business combination	-	1,763
Balance at end of the period	21,479	15,855

20. Borrowings

Current		
Other borrowings	827	754
	827	754

Summary of borrowing arrangements

Details of the Group's borrowing facility as at 30 June 2026 are as follows:

Facility	Utilised \$'000	Unutilised \$'000	Interest Charge	Description	Maturity Date
Market Rate Loan	-	15,500	Variable Market Rate	The Group's facilities are secured by all Simonds Group Limited corporate entities.	7 May 2028
Bank Guarantees	3,924 ¹	1,076	Fixed Market Rate		Ongoing
Overdraft Facility	-	5,000	Overdraft Index Rate		Ongoing
Seasonal Overdraft Facility	-	10,000	Overdraft Index Rate		Ongoing- Commencing 16 December and ending 31 March in each calendar year

¹ Bank guarantees are disclosed in contingent liability note 33.

Facility	Utilised \$'000	Unutilised \$'000	Interest Charge	Description	Maturity Date
Business Corporate Credit Card Facility	1,000	-	Cash Advance Interest Rate	Charged Card facility made available to Simonds Group.	Ongoing
Equipment Finance Facility	6,930 ¹	1,070	Fixed Market Rate	Asset under leases are secured by the assets leased with repayments periods not exceeding 5 years.	Ongoing
Total	11,854	22,646²			

In addition to the debt facility outlined above, the Group has additional facilities as below:

Facility	Utilised \$'000	Unutilised \$'000	Interest Charge	Description	Maturity Date
Microsoft Financing	436	-	Fixed Interest Rate	The Group entered into a Master Instalment Payment Agreement with De Lage Landen Pty Ltd, which covers license subscription for Microsoft products for the period from January 2026 to December 2026.	30 January 2027
Insurance Premium Funding	391	-	Fixed Interest Rate	The Group entered into a premium funding contract with IQumulate Premium Funding Pty Ltd, which covers various corporate insurance for period from November 2025 to October 2026.	31 July 2026
Total	827	-			

21. Provisions

Accounting policy

Maintenance and warranty

Provisions for the cost of maintenance and warranty is the directors' best estimate of the expenditure required to settle the Group's obligations under legislative requirements.

Make good

Provisions for make good are based on the directors' best estimates of the costs required to reinstate the display homes and commercial leased properties under legislation; or requirement to be at a saleable standard.

¹ Recorded as part of lease liabilities note 34.

² Total Unutilised amount excluding seasonal overdraft facility as it only applies during seasonal period between 16 December to 31 March each Calander year.

	30 June 2026 \$'000	30 June 2025 \$'000
Provision for employee benefits (i)	10,504	10,357
Provision for warranty and contract maintenance (ii)	10,630	13,588
Provision for make good (iii)	1,355	1,377
	22,489	25,322
Current	11,935	14,629
Non – current	10,554	10,693
	22,489	25,322

- (i) The provision for employee benefits represents annual leave and long service leave entitlements accrued and compensation claims made by employees.
- (ii) The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties related to residential construction. The estimate has been made on the basis of historical warranty trends and may vary as a result of the annual build program, the history of defects relating to materials used or in the nature of services provided.
- (iii) Provisions based on the directors' best estimates of the costs required to reinstate the display homes and commercial leased properties under legislation; or requirement to be at a saleable standard.

The movement in non-employee provisions during the financial year is as below:

2026	Warranty and contract maintenance \$'000	Make good \$'000	Total \$'000
At 30 June 2025	13,588	1,377	14,965
Additional provision recognised during the year	2,841	387	3,228
Provision utilised during the financial year	(5,799)	(409)	(6,208)
At 30 June 2026	10,630	1,355	11,985

Critical accounting judgements and key sources of estimation uncertainty - provision for maintenance and warranties

At each year end the Group considers its legal and constructive obligations for warranties and maintenance on properties constructed. Typically, the Group makes provision for warranties for a period of up to ten years following the completion of a construction contract. The directors take into account the annual build program, history of defects relating to materials used or in services provided and the historical liabilities the Group has assumed in respect of warranties in estimating the provision for warranties. The directors use a present value methodology to recognise the best estimate of the expenditure required to settle the Group's obligation.

The Group use an actuarial model based on historical maintenance and warranty spend to provide an estimate for the maintenance and warranty provision. Key assumptions in this model were developed by an independent actuary and are reviewed internally regularly, to ensure they remain appropriate for calculating the maintenance and warranty provision as at 30 June 2026. There has been no significant change to the model assumptions to those used in the prior financial year.

22. Issued capital

	30 June 2026 \$'000		30 June 2025 \$'000	
359,906,450 fully paid ordinary shares (June 2025: 359,906,450)	37,867		37,867	
	37,867		37,867	
	Number of shares		Share capital (\$'000)	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Balance at beginning of the period	359,906,450	359,906,450	37,867	37,867
Movement in ordinary shares	-	-	-	-
Balance at end of the period	359,906,450	359,906,450	37,867	37,867

23. Reserves

	30 June 2026 \$'000		30 June 2025 \$'000	
Share Buy-back Reserve	(7,204)		(7,204)	
Share Based Payment Reserve ¹	29,121		28,863	
	21,917		21,659	

Share Buy-back Reserve

On 20 August 2015, the Group announced its intention to undertake an on-market share buy-back ("buy-back") to enable the Group to acquire up to a maximum of 7.570m shares within a 12-month period. The buy-back was part of the Group's ongoing capital management strategy and determined by the Directors to be an appropriate use of Group capital resources given current market conditions at the time. The Group bought back 7.570m of its issued shares and as a result, the balance between the total buy-back and the amount deemed a reduction in capital was recorded in the share buy-back reserve.

Share Based Payment Reserve

This reserve is used to recognise the value of equity settled benefits provided to employees and directors as part of their remuneration.

24. Dividends

For dividend to be paid in relation to the 2026 financial year, refer to Note 37 Subsequent Events.

No dividend was paid in relation to the 2025 financial year.

The company's adjusted franking account balance as at 30 June 2026 is \$9.758m (2025: \$9.758m).

¹ Movements arising from share-based payments, refer to note 28 for detail.

25. Financial instruments

Accounting policy

Non-derivative financial instruments

Capital risk management

Directors review the capital structure on an ongoing basis. As a part of this review the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues, and the issue or repayment of debt.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 20, cash, and equity attributable to equity holders of the parent, comprising issued capital, Reserves, accumulated losses and dividends, as disclosed in notes 22 to 24.

Financial risk management

The Group does not enter into or trade financial instruments, for speculative purposes. The use of financial instruments is governed by the Group's policies which are approved by the directors. The Chief Financial Officer is responsible for managing the Group's treasury requirements in accordance with this policy.

The Group hold the following financial instruments at amortised costs:

	30 June 2026 \$'000	30 June 2025 \$'000
Financial Assets		
Cash and Cash equivalents	16,499	23,338
Trade and other receivables	37,198	46,078
	53,697	69,416
Financial Liabilities		
Trade and other payables	81,541	83,337
Lease liabilities	30,775	16,836
Contingent consideration ¹	2,480	9,530
Borrowings	827	754
	115,623	110,457

Market risk

i) Interest rate risk management

The Group is exposed to interest rate risk as the entities in the Group borrow funds at both fixed and variable interest rates. There is an interest rate exposure for these utilised facilities when they are used during each financial year (Refer to note 20 for details of these facilities).

A sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2026 would decrease/increase by \$0.030m (2025: \$0.038m). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Credit risk

Credit risk arises from financial assets which comprise cash and cash equivalents, trade and other receivables and the granting of financial guarantees. Exposure to credit risk arises from potential default

¹ Contingent consideration representing the fair value of contingent payment relating to acquisition of subsidiary Simonds DFH Pty Ltd at 30 June 2026.

of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets as well as in relation to financial guarantees granted.

Construction contracts require the customer to obtain finance prior to starting the build. Contracts for Speculative Housing, Displays and Land require payment in full prior to passing of title to customers. The Group has no significant concentrations of credit risk and does not hold any credit derivatives to offset its credit exposure.

Liquidity risk

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

i) Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Year ended 30 June 2026	< 6 months \$'000	6 -12 months \$'000	>1 -5 years \$'000	Over 5 years \$'000	Total \$'000
Financial Liabilities					
Trade and other payables	81,541	-	-	-	81,541
Lease liabilities	1,351	11,344	19,645	2,474	34,814
Borrowings	827	-	-	-	827
Contingent consideration	2,480	-	-	-	2,480
	<u>86,199</u>	<u>11,344</u>	<u>19,645</u>	<u>2,474</u>	<u>119,662</u>

Year ended 30 June 2025	< 6 months \$'000	6 -12 months \$'000	>1 -5 years \$'000	Total \$'000
Financial Liabilities				
Trade and other payables	83,337	-	-	83,337
Lease liabilities	1,761	10,593	5,761	18,115
Borrowings	754	-	-	754
Contingent consideration	5,340	2,290	1,900	9,530
	<u>91,192</u>	<u>12,883</u>	<u>7,661</u>	<u>111,736</u>

26. Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the Company and the Group is set out below:

	30 June 2026 \$	30 June 2025 \$
Short-term employee benefits	2,245,599	2,968,402
Post-employment benefits	132,171	149,643
Other long-term benefits	31,641	48,834
Share-based payments	85,693	3,657
	<u>2,495,104</u>	<u>3,170,536</u>

27. Related party transactions

Trading Transactions

During the year group entities entered the following transactions with related parties which are not members of the Group.

	Sales of goods		Cost of goods		Leases and services rendered		Non-cash remuneration	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	\$	\$	\$	\$	\$	\$	\$	\$
Vallence Gary Simonds and related entities¹:								
Properties leased on an arms-length basis	-	-	-	-	276,522	273,000	-	-
Advisory fee paid during the year	-	-	-	-	102,283	101,827	-	-
Remuneration for employee services	-	-	-	-	87,049	85,151	-	-
Car park provided	-	-	-	-	-	-	33,406	21,069
	-	-	-	-	465,854	459,978	33,406	21,069
Simonds Family Office Pty Ltd²								
Properties and car park provided	-	-	-	-	14,880	33,115	-	-
Construction contracts	1,721,371	3,561,576	1,425,515	2,828,451	-	-	-	-
Consulting services	-	-	-	-	450,000 ³	271,671	-	-
Remuneration for employee services ⁴	-	-	-	-	172,236	-	-	-
Car park provided	-	-	-	-	-	-	21,234	-
	1,721,371	3,561,576	1,425,515	2,828,451	637,116	304,786	21,234	-
Mark Simonds and related entities:								
Payment for use of building licence	-	-	-	-	541,667	393,939	-	-
Remuneration for employee services ⁵	-	-	-	-	103,838	79,047	7,969	9,294
Cost of SIO personnel on external projects ⁶	-	-	-	-	39,926	15,043	-	-
Car park provided	-	-	-	-	-	-	21,234	-
	-	-	-	-	685,431	488,029	29,203	9,294
Rhett Simonds and related entities:								
Construction contracts ⁷	462,632	-	432,350	-	-	-	-	-
Total	2,184,003	3,561,576	1,857,865	2,828,451	1,788,401	1,252,793	83,843	30,363

¹ Vallence Gary Simonds is a beneficial owner of 73.9% of ordinary shares

² Mark Simonds and Rhett Simonds are directors of Simonds Family Office Pty Ltd, the family office of the majority shareholder

³ The consulting services relate to Piers O'Brien providing advisory related services to Group. Piers is also Chief Executive Officer of Simonds Family Office Pty Ltd

⁴ Amount represents wages recharged at arms' length for services provided by employees of Simonds Family Office Pty Ltd, who are family members of KMP.

⁵ Amount represents wages recharged at arm's length for services provided by family members of KMP.

⁶ Amount represents wages including on-costs recharged at cost + agreed margin for services provided by Group employees to related party.

⁷ Subsequent to year-end and upon completion of true-up of costs in line with the cost-plus agreement, a final invoice of \$56,306 + GST was raised which is reflected in the above figures.

At 30 June 2026, \$260,157 (2025: \$886,029) was owed by Simonds Family Office Pty Ltd to the Group for constructions builds. These contracts were at arms' length. As at the date of signing of the financial statements, this balance had been settled in full.

\$62,489 (2025: \$8,797) was payable from the Group to Vallence Gary Simonds and related entities and Simonds Family Office Pty Ltd for property leased and car parking lease. This payable was settled in full after year end.

Mutual vendor arrangements

The Simonds family and the Group have been part of the Australian construction industry for more than 76 years. Over this period the Simonds family have developed strong relationships and partnerships with multiple vendors. After the listing of the Group, these same vendors remained an integral part in the supply and delivery of construction projects to the Group. Certain suppliers of the Group also provide goods or services to entities associated with the Simonds Family Office and to Simonds family members, specifically Gary Simonds, Mark Simonds and Rhett Simonds. These mutual vendors at times provide discounts and pricing arrangements directly to the Simonds Family Office or Simonds family members based on those long-standing relationships.

The Group assessed these arrangements, including whether the Group funded, surrendered or was otherwise economically disadvantaged by any benefit provided. Based on the information available and the procedures undertaken, the Group did not bear any financial cost nor forgo any financial benefit as a result of the discounts or benefits provided on these transactions as reported across FY25 and FY26.

Rather, the arrangements reflected the strength of these long-standing supplier relationships between the Simonds family and the suppliers. These relationships and these suppliers also supported the Group through some of the toughest trading conditions experienced over the past 12-years. The Group also receives various benefits such as rebates, priority allocations of raw materials, guaranteed supply, and other benefits from these suppliers.

Related party construction through the Group

The Simonds Family office has constructed three homes through the Group over the FY25/26 financial periods, and these agreements were on an arms-length basis as disclosed.

Separately, as an executive of the Group, in FY26 Rhett Simonds constructed a home on a cost-plus basis, in line with the board approved Group policy available to all executives. The Group negotiated further discounts from suppliers on this project, which forms part of the overall cost incurred. This full cost of the project, plus the agreed margin, was invoiced to Rhett Simonds consistent with the agreed cost-plus arrangement.

Use of Group personnel

The Group separately identified instances in which Group personnel provided support in connection with related-party projects. The cost of that support has been estimated and invoiced as described below. This support includes advice regarding site matters or arranging quotes with vendors. Historically the Group did not view the time spent by these resources as material in nature.

As part of the review of FY26 financial statements, the Group has quantified the value of the ad-hoc assistance provided on a time-based approach, by project. The Group assessed that the value of these services provided at cost for FY26 is \$39,926 (FY25: \$15,043). The assessed cost includes all applicable on-costs, such as superannuation, taxes, levies, and other employee entitlements. These amounts have been invoiced to the relevant related parties at cost + agreed margin. The Group has implemented a policy that will limit or aim to avoid such cost, but if incurred will be recharged quarterly.

The Group also considered whether arrangements of a similar nature existed before FY25 and identified that similar relationships and practices existed over a longer period. Based on the information currently

available, the Group believes the nature of those relationships was broadly consistent with the arrangements described above. Due to limitations in the availability and reliability of historical records, it was not practicable to reliably quantify any such arrangements for those earlier periods. Accordingly, based on the procedures performed and information currently available, the Group has not identified a material adjustment affecting periods before FY25. The Group has nevertheless determined to continue consideration of earlier periods and will consider financial reporting and continuous disclosure implications should additional relevant information become available.

Completeness and significant judgements

In preparing this note, the Group considered declarations obtained from directors and key management personnel, related entities and projects, the use of Group personnel and resources, and mutual vendor arrangements. The disclosures reflect the related party relationships, transactions and balances identified from the information available as at the date of this report.

Loans to related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and not disclosed in this note.

During the year ended 30 June 2026, there were no loans to related parties outside the Group (2025: Nil).

28. Share based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Employee share plan

On 18 December 2024, 7,859,900 performance rights shares were granted to key management personnel and other members of the leadership team. The performance rights were issued as part of the Long-Term Incentive Plan for 2024 financial year (FY2024) and for the 2025 financial year (FY2025). On 19 December 2025, 2,893,023 performance rights shares were granted to key management personnel and other members of the leadership team. The performance rights were issued as part of the Long-Term Incentive Plan for 2026 financial year (FY2026).

Set out below are summaries of performance shares granted under the plan:

Award Structure	FY2024 Performance Rights
Consideration for the Performance Rights	The Performance Rights will be granted for nil consideration.
Grant Date	18 December 2024
Expiry Date	15 th Anniversary of the Grant Date
Vesting Date	30 June 2026
Performance Measure	Vesting of Performance Rights is dependent on one discrete performance measure (hurdle): <i>FY2026 Adjusted EBITDA per share</i> The performance measure is to achieve an EBITDA per share target for the financial year ending 30 June 2026.

Award Structure	FY2024 Performance Rights	
EPS Vesting Schedule	<i>FY2026 Adjusted EBITDA¹ per share</i>	<i>Percentage of Performance Rights to vest:</i>
	Below \$0.062	None
	At \$0.062	50%
	Between \$0.062 and \$0.069	Straight line pro-rata vesting between 50% and 100%
	At or above \$0.069	100%
Service Vesting Condition	The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.	
Other conditions	These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.	

Award Structure	FY2025 Performance Rights	
Consideration for the Performance Rights	The Performance Rights will be granted for nil consideration.	
Grant Date	<i>18 December 2024</i>	
Expiry Date	<i>15th Anniversary of the Grant Date</i>	
Vesting Date	<i>30 June 2027</i>	
Performance Measure	Vesting of Performance Rights is dependent on one discrete performance measure (hurdle): <i>FY2027 Adjusted EBITDA per share</i> The performance measure is to achieve an EBITDA per share target for the financial year ending 30 June 2027.	
EPS Vesting Schedule	<i>FY2027 Adjusted EBITDA² per share</i>	<i>Percentage of Performance Rights to vest:</i>
	Below \$0.092	None
	At \$0.092	50%
	Between \$0.092 and \$0.103	Straight line pro-rata vesting between 50% and 100%
	At or above \$0.103	100%
Service Vesting Condition	The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.	
Other conditions	These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.	

Award Structure	FY2026 Performance Rights	
Consideration for the Performance Rights	The Performance Rights will be granted for nil consideration.	
Grant Date	<i>19 December 2025</i>	
Expiry Date	<i>15th Anniversary of the Grant Date</i>	
Vesting Date	<i>30 June 2028</i>	
Performance Measure	Vesting of Performance Rights is dependent on one discrete performance measure (hurdle): <i>FY2028 Adjusted EBITDA</i> The performance measure is to achieve an EBITDA target for the financial year ending 30 June 2028.	

¹ When assessing Adjusted EBITDA outcomes, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period. As at the time of this report, the Adjusted EBITDA has not been determined.

² When assessing Adjusted EBITDA outcomes, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period.

Award Structure	FY2026 Performance Rights	
EBITDA Vesting Schedule	FY2028 Adjusted EBITDA ¹	Percentage of Performance Rights to vest:
	\$54m	50%
	\$60m	75%
	\$73m	100%
Service Vesting Condition	The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.	
Other conditions	These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.	

Movements in performance rights during the year:

Tranche	Opening balance	Granted during the year		Vested during the year		Forfeited during the year		Closing balance
	Number of rights	Number of rights	Weighted average fair value	Number of rights	Weighted average fair value	Number of rights	Weighted average fair value	Total number of rights
Performance rights								
FY 2024	2,119,926	-	-	-	-	(601,447)	\$0.16	1,518,479
FY 2025	1,730,274	-	-	-	-	(490,898)	\$0.16	1,239,376
FY 2026	-	2,893,023	\$0.14	-	-	-	-	2,893,023
Total	3,850,200	2,893,023	\$0.14	-	-	(1,092,345)	\$0.16	5,650,878

For the purposes of accounting, the rights are assumed to be equity settled. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

	30 June 2026 \$'000	30 June 2025 \$'000
Employee share plan		
Share based expense	258	(15)

2,893,023 (2025: nil) performance rights and no (2025: nil) options were vested during the year ended 30 June 2026.

There were no (2025: nil) cash rights and 1,092,345 (2025: 4,009,700) performance rights were forfeited during the year.

29. Auditor's remuneration

	30 June 2026 \$	30 June 2025 \$
Audit or review of financial statements - Group	342,000	330,000
	342,000	330,000
Other services		
-Tax services	192,337	100,000
-Review on Sustainability Report	45,000	-
-Audit of Simonds WA Pty Ltd ²	26,000	-
-Work relating to acquisition of Dennis Family Homes Pty Ltd	-	20,000
	605,337	450,000

The Group's auditor is PKF Melbourne Audit & Assurance Pty Ltd.

¹ When assessing Adjusted EBITDA outcomes for FY2024, FY2025 and FY2026 performance rights, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period.

² The Group holds 50% joint venture of Simonds WA Pty Ltd,

30. Commitments for expenditure

On 22 February 2025, the Group entered into a binding agreement to acquire certain assets from Stephen McCarthy Developers One Pty Ltd (SMD) and Mr Stephen Patrick McCarthy (Mr McCarthy). SMD and Mr McCarthy have previously provided sales consultancy services and a licence of various house plans to the Group, which were used in the Masterpiece brand.

The assets subject to the transaction include home designs across the Masterpiece and Dual Occupancy ranges, associated domain names, and business names, and a forward-order book. The total capital commitment under this agreement is \$10.0 million. The consideration comprises a mix of a lump sum payment and progressive payments under the terms of a Business Sale Agreement.

The transaction is expected to complete in FY27.

31. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts.

Reconciliation of profit for the year to net cash flows from operating activities

	30 June 2026 \$'000	30 June 2025 \$'000
Cash flows from operating activities		
Net profit after tax for the year	10,451	1,015
Add / (deduct):		
Income tax expense recognised in profit or loss	4,918	435
Net finance costs recognised in profit or loss	2,577	2,335
Gain on disposal of tangible assets	34	585
Loss on share of investment in joint venture	321	-
Provisional goodwill adjustment	1,639	-
Repayment of contingent consideration	7,050	-
Management incentive and share based payments	258	15
Depreciation and amortisation of non-current assets	23,473	19,706
	<u>50,721</u>	<u>24,091</u>
<u>Movements in working capital</u>		
Decrease in trade and other receivables	8,880	12,433
(Increase) / decrease in inventories	(10,672)	1,013
(Increase) / decrease in other assets	(15,002)	34,151
Decrease in trade and other payables	(1,796)	(34,142)
Decrease in provisions	(2,833)	(10,777)
(Decrease) / increase in other liabilities	(1,426)	14,930
Net interest paid	<u>(2,577)</u>	<u>(2,335)</u>
Net cash generated from operating activities	<u>25,295</u>	<u>39,364</u>

Non-cash transactions

The Group acquired \$18.039m of right-of-use assets during the financial ended 30 June 2026. The additions are non-cash and not included within investing activities in the consolidated statement of cash flows.

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

		30 June 2025	Financing cash flows	Non-cash changes New leases	30 June 2026
	Notes	\$'000	\$'000	\$'000	\$'000
Other borrowings	20	754	73	-	827
Lease liabilities	34	16,836	(18,251)	32,190	30,775
Total liabilities from financing activities		17,590	(18,178)	32,190	31,602

32. Parent entity information

The parent entity is Simonds Group Limited. 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.

	30 Jun 2026 \$'000	30 Jun 2025 \$'000
Statement of financial position		
Current Assets	52,816	60,145
Non-current Assets	3,108	2,983
Total assets	55,924	63,128
Current Liability	15,217	21,855
Non-current Liability	4,518	4,975
Total liabilities	19,735	26,830
Net assets	36,189	36,298
Issued capital	37,867	37,867
Reserves	(34,775)	(35,033)
Accumulated profit	33,097	33,464
Total equity	36,189	36,298
Income statement		
Dividends from subsidiaries	-	4,500
Operating loss before tax	(526)	(67)
Tax refund / (expense)	157	(1,331)
(Loss) / profit for the year	(369)	3,102

33. Contingent liabilities and contingent assets

Contingent Liabilities

Bank guarantees (Refer to Note 20)	3,924	3,437
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Litigation

There are a small number of legal matters relating to the construction of residential dwellings and personal injury claims from employees, contractors or the public that are the subject of litigation or potential litigation. A provision is raised in respect of claims where an estimate may be reliably established, and legal or other advice indicates that it is probable that the Group will incur costs either

in progressing its investigation of the claim or ultimately in settlement. During the year, there were no material claims that could be reliably estimated.

Other contracts

The Group has entered contracts to acquire properties predominantly in relation to speculative homes and wholesale channels. In the normal course of business, third parties will be assigned to purchase the property, however if no third party can be reassigned, then the Group faces an exposure of \$10.197m (2025: \$6.458m).

34. Leases

The Group leases commercial offices, display homes, display home furniture, IT equipment and motor vehicles. The leases are typically with an option to renew and lease payments are reviewed when approaching the lease expiry date to reflect market rentals.

The Group also leases equipment with contract terms of one to three years. These leases are short-term and/or leases of assets with a value at or below \$10,000. For leases of low value assets and short-term leases the Group has elected not to recognise right-of-use assets and lease liabilities. The lease payments are recognised as an operating expense on a straight-line basis over the term of the lease.

Information about leases for which the Group is a lessee is presented below.

Amount recognised in profit or loss

	30 June 2026 \$'000	30 June 2025 \$'000
<i>Lease under AASB 16</i>		
Interest on lease liabilities	(1,922)	(1,188)
Depreciation expense on right-of-use assets	(17,950)	(15,655)
Expenses relating to short-term leases	(1,569)	(1,500)
Expenses relating to low value assets leases	(10)	(18)
Loss on sale and leaseback	(139)	(499)
Gain on lease modification and cancellation	61	214
	<u>(21,529)</u>	<u>(18,646)</u>

Commitment for short-term leases and low value assets

The Group has nil commitment to leases classified as short-term and/or low value leases (2025: nil).

Cashflow on leases

In 2026, the total cash outflow for leases amounts to \$20.174m (2025: \$17.388m). Refer to note 25 liquidity risk for committed lease cash payments for next 0-12 months, 1-5 years and over 5 years timing buckets.

Lease liabilities

Current	12,695	11,595
Non-current	18,080	5,241
	<u>30,775</u>	<u>16,836</u>
Leases expiring less than one year	12,695	11,595
Leases expiring between one and five years	7,401	5,241
Leases expiring over five years	10,679	-

Right of use assets

	Commercial offices \$'000	Display homes \$'000	Display home furniture \$'000	IT equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost						
Balance at 1 July 2024	13,517	7,783	4,894	6,016	6,304	38,514
Additions	1,495	8,149	5,604	248	2,543	18,039
Changes in value from lease modification and cancellation	-	(449)	-	-	-	(449)
Disposal of assets	(969)	(5,393)	(3,259)	-	(2,400)	(12,021)
Balance at 30 June 2025	14,043	10,090	7,239	6,264	6,447	44,083
Cost						
Balance at 1 July 2025	14,043	10,090	7,239	6,264	6,447	44,083
Additions	16,380	7,883	3,911	1,615	3,883	33,672
Changes in value from lease modification and cancellation	-	(192)	-	(9)	-	(201)
Disposal of assets	(11,952)	(5,908)	(3,828)	(6,016)	(3,460)	(31,164)
Balance at 30 June 2026	18,471	11,873	7,322	1,854	6,870	46,390
Accumulated amortisation						
Balance at 1 July 2024	(9,501)	(3,780)	(2,543)	(3,609)	(4,622)	(24,055)
Charge for the year	(3,072)	(6,134)	(3,665)	(1,210)	(1,574)	(15,655)
Disposal of assets	859	4,952	3,196	-	2,367	11,374
Balance 30 June 2025	(11,714)	(4,962)	(3,012)	(4,819)	(3,829)	(28,336)
Accumulated amortisation						
Balance at 1 July 2025	(11,714)	(4,962)	(3,012)	(4,819)	(3,829)	(28,336)
Charge for the year	(4,328)	(7,064)	(4,348)	(596)	(1,613)	(17,949)
Disposal of assets	11,949	5,970	3,810	4,913	3,441	30,083
Balance 30 June 2026	(4,093)	(6,056)	(3,550)	(502)	(2,001)	(16,202)
Carrying amount						
As at 30 June 2025	2,329	5,128	4,227	1,445	2,618	15,747
As at 30 June 2026	14,378	5,817	3,772	1,352	4,869	30,188

35. Joint ventures

On 16th February 2026, the Group announced it has entered a 50/50 joint venture with Atlas Building to conduct residential construction projects in Western Australia.

Details of the Group's material joint venture at the end of the reporting period is as follows:

Name of joint venture	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest 30 June 2026
Simonds Homes WA Pty Ltd	Residential construction	Western Australia	50%

The above joint venture is accounted for using the equity method the consolidated financial statements.

Summarised financial information in respect of the Group's material joint venture is set out below.

Simonds Homes WA Pty Ltd

	30 June 2026 \$'000
Current Assets	1,887
Non- current Assets	14
Current liabilities	(2,543)
Non- current Liabilities	-
<i>The above amounts of assets and liabilities include the following:</i>	
Cash and cash equivalents	886
Current financial liabilities (excluding trade and other payables and provisions)	-
Non- current financial liabilities (excluding trade and other payables and provisions)	-
Revenue	-
Loss from continuing operations	(642)
Loss from discontinuing operations	-
Loss for the year	(642)
Other comprehensive income	-
Total comprehensive Loss for the year	(642)
<i>The above loss for the year including the following:</i>	
Depreciation and amortisation	(565)
Interest income	-
Interest expense	-
Income tax income	275

Reconciliation of above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

Net assets of the joint venture	(642)
Proportion of Group's ownership interest in the joint venture	50%
Carrying amount of the Group's interest in the joint venture	(321)
Contribution made to joint venture	1,336
Investment of joint venture	1,015

36. Business combinations

Acquisition of Dennis Family Homes Pty Ltd during the previous financial year

On 28 February 2025, Simonds announced completion of acquisition of Dennis Family Homes Pty Ltd (DF Homes). The Company name has since changed to Simonds DFH Pty Ltd. On 1 March 2025, the Group assumed control of DF Homes. The acquisition has been accounted as a Business Combination under AASB 3.

The fair values of the identifiable net assets acquired are detailed below:

Consideration transferred

	Fair value \$'000
Cash	1,000
Contingent consideration arrangement	10,000
Total Consideration	11,000

Assets

Cash and cash equivalents	5,689
Bonds paid (Security deposits)	69
Trade debtors	4,269
Other debtors	86
WIP debtor accrual	17,390
IP / Designs	1,000
Forward order book at fair value	4,971

Liability

Trade creditors	(13,175)
Deposit and income in advance	(124)
Construction accruals	(7,146)
Payable to Dennis Family Corporation	(2,180)
Accrued Expenses	(1,266)
Employee entitlement provisions	(1,380)
Lease expense payable	(819)
Deferred tax liabilities	(1,551)
Make-good provision	(192)
Maintenance & warranty provision	(5,346)

Net Assets assumed

	295
Goodwill	10,705
Final fair value of the total consideration to be transferred	11,000

Net cashflow from acquisition of subsidiary

	30 June 2026 \$'000	30 June 2025 \$'000
Consideration paid in cash	-	(1,000)
Cash and cash equivalent balances acquired	-	5,689
Settlement per share purchase agreement	-	(2,180)
Settlement of contingent consideration	(7,050)	(460)
Net cashflow from acquisition of subsidiary	(7,050)	2,049

Goodwill

During the year, the expectations and assumptions were refined to form a final view of the balances acquired. As such, the goodwill was adjusted down by \$1.639m resulting in a final balance of \$10.705m.

Goodwill was primarily related to Group's growth expectations and cost synergies through DF Homes' resources including sales through this channel.

Contingent consideration

The contingent consideration arising from the acquisition of DF Homes is linked to achievement of specific operational performance hurdles.

- Completion of jobs under construction: An agreed cash payment is payable upon settlement of existing jobs under construction and jobs started from the forward order book.
- Site start payment: An agreed cash payment is payable upon Base claim for every site start taken from within the acquired forward order book.

The fair value of the contingent consideration was estimated based on the probability of achieving future hurdles. The key inputs in the measurement include are management's forecast of job completion and new site starts, and the probability-weighted estimated future cash outflows, based on the payment structure. In terms of fair value hierarchy, contingent consideration is classified as Level 3 based on unobservable inputs of the liability.

The key unobservable inputs in the measurement include are:

- Management's forecast of job completion and new site starts.
- Reasonable estimate of future cancellation rates based on historical information and other available information on hand.

Movements in the relation to contingent consideration during the financial year are set out below:

Opening balance	9,530	10,000
Cash settlement	(7,050)	(470)
Closing balance	2,480	9,530
Current	2,480	7,630
Non-current	-	1,900

There were no fair value movements recognised in relation to contingent consideration during the financial year.

The estimated fair value would increase / (decrease) by \$0.450 million if cancellation rates were to move by 5%.

Forward order book

The forward order book represents intangible asset relating to pipeline acquired for signed build contracts, preliminary agreements and sale leads.

The fair value of forward order book was estimated based on margins, site start values and other direct and indirect costs

37. Subsequent events

Dividends determined to be paid in relation to the year-ended 30 June 2026 were as follows:

30 June 2026	Record Date	Ex-Dividend Date	Payment Date	Dividend per Share	Total Dividend \$'000
Total final dividend	6 October 2026	5 October 2026	27 November 2026	0.5 cents	1,800

There are no other events that occurred subsequent to the reporting date that may significantly affect Group's operations, results or state of affairs in future periods.

Consolidated entity disclosure statement

As at 30 June 2026

Entity Name	Entity Type	Body corporates		Tax residency
		Place formed or incorporated	% of share capital held	Australian or foreign
Simonds Homes Victoria Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Homes NSW Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Queensland Constructions Pty Ltd	Body corporate	Australia	100%	Australian
Simonds SA Pty Ltd	Body corporate	Australia	100%	Australian
Simonds WA Holdings Pty Ltd ¹	Body corporate	Australia	100%	Australian
Madisson Homes Australia Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Personnel Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Assets Pty Ltd	Body corporate	Australia	100%	Australian
Simonds IP Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Corporate Pty Ltd	Body corporate	Australia	100%	Australian
Jackass Flat Developments Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Land Development Pty Ltd	Body corporate	Australia	100%	Australian
Bridgeman Downs Land Project Pty Ltd	Body corporate	Australia	100%	Australian
Discover Developments Pty Ltd	Body corporate	Australia	100%	Australian
Discover Gisborne Pty Ltd	Body corporate	Australia	100%	Australian
Simonds DFH Pty Ltd	Body corporate	Australia	100%	Australian

¹ Simonds WA Holdings Pty Ltd previously named as Simonds WA Pty Ltd. Company name changed on 20 January 2026.

Simonds Group Limited

ACN: 143 841 801

2026 Sustainability Report



Simonds Group Limited 2026 Sustainability Report

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Basis of Preparation and Other Disclosures

Relationship to the financial statements

These climate-related financial disclosures relate to the Financial Report of Simonds Group Limited for the year ended 30 June 2026. The data, boundaries and assumptions used in preparing these disclosures including the consolidated reporting boundary described above are consistent with those used in preparing the Group's financial statements for the same period.

Significant judgements

In preparing these climate-related disclosures, the Group has applied a number of significant judgements, including:

- Identification of the climate-related risks and opportunities considered material to the Group's operations and strategy, and the concentration points (geographic, supplier and site-level) considered most significant.
- Determination of the reporting boundary¹ for greenhouse gas emissions on an operational control basis, including the treatment of the DFH acquisition and the Group's joint venture interest.
- The classification of the Group's emissions reduction target as an absolute target and the determination that the target will be pursued without reliance on carbon offsets.
- The basis for the Group's preliminary estimate of the proportion of FY26 site starts located in areas of elevated physical risk exposure, pending detailed hazard-map analysis.
- The determination that quantitative financial impact information has not been separately disclosed for FY26, on the basis that climate-related financial effects cannot currently be reliably distinguished from the effects of other factors affecting the Group's financial performance.

Measurement uncertainty

Certain amounts disclosed in these climate-related disclosures are subject to measurement uncertainty.

Scope 1 and Scope 2 greenhouse gas emissions estimates are subject to uncertainty arising from emission factor selection (National Greenhouse Accounts Factors), reliance on suppliers or external managers of fuel, natural gas, and electricity. The standard conversion methodologies have been applied under the GHG Protocol Corporate Accounting and Reporting Standard.

The Group's estimate of the proportion of FY26 site starts located in areas of elevated physical risk exposure is a preliminary internal estimate pending formal hazard-map analysis and is subject to a wider range of uncertainty than other disclosures in this report.

Forward-looking assessments, including the scenario analysis and anticipated financial impacts also described in Strategy section, are inherently uncertain and depend on assumptions regarding future policy, technology, market and climate conditions that may not eventuate as assumed.

Statement of compliance

These climate-related financial disclosures have been prepared with reference to AASB S2 Climate-related Disclosures. Certain disclosure requirements have not been fully addressed in this first year of reporting, including formal interim milestones for the Group's emissions reduction target, quantification of climate-related capital expenditure, and Scope 3 emissions (which will commence for the year beginning 1 July 2026 in accordance with the AASB S2 transitional provisions for Group 1 entities). Refer to the relevant sections for further detail.

¹ Boundary refers to the organisational and operational scope over which the Group determines its greenhouse gas emissions are reported, being the entities and operations over which the Group has operational control, consistent with the GHG Protocol Corporate Accounting and Reporting Standard.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Rhett Simonds', with a stylized, sweeping flourish at the end.

Rhett Simonds

Chief Executive Officer (CEO) and Executive Chair

Melbourne, 30 September 2026

Governance

(a) Board and Committee Oversight of Climate-related Risks and Opportunities

(i) Governance structure and responsibility for climate-related matters

The Board retains full responsibility for oversight of climate-related risks and opportunities, which are considered through the Board's existing strategic, operational and financial review processes and integrated into the Board's oversight of strategy and enterprise risk management. The Board is assisted in this role by the Audit and Risk Management Committee, which reviews the Group's risk management framework and evaluates the Group's exposure to environmental and social risks, including climate-related risks and any identified climate-related opportunities where relevant.

Climate-related responsibilities are reflected in the following governance documents:

- Board Charter: Establishes the Board's responsibility for overseeing the Group's risk management framework, including climate-related risks, and for approving the Group's strategic plan, which encompasses climate considerations.
- Audit and Risk Management Committee Charter: Covers risk management framework review, risk oversight and environmental/social risks.
- Nomination and Remuneration Committee Charter: Sets out responsibilities for the Board skills matrix, Board and Committee performance review processes, succession planning, and director induction and continuing professional development.
- Risk Management Framework: Identifies Environmental risk (including climate-related risks) as one of the Group's key enterprise risk categories, alongside Strategic, Reputational, WHS, Financial, Operational, Compliance and Governance risks.

(ii) Skills and competencies for climate-related oversight

The Board, with support from the Nomination and Remuneration Committee, assesses whether it has sufficient skills and competencies to oversee climate-related risks and opportunities and related disclosures through its annual Board performance evaluation process and ongoing consideration of director skills and experience.

Current Board competencies relevant to climate oversight include:

- Extensive residential construction sector experience providing practical understanding of weather impacts on construction operations and supply chains.
- Experience in business risk assessment and strategic decision-making, supporting consideration of climate-related impacts as part of broader commercial and operational decisions.
- Understanding of energy-efficiency building requirements through oversight of the Group's implementation of NCC 2022 energy-efficiency changes and its program targeting 7-S NatHERS rated homes.

The Board does not currently include a director with specialist climate or sustainability qualifications. To support effective oversight, where needed the Board obtains external advice or targeted climate-related briefings (for example on regulatory developments, market expectations or climate reporting requirements) and will consider future Board appointments and training to strengthen climate-related competencies over time.

(iii) Frequency and process for Board information on climate-related matters

The Board receives information on climate-related risks and opportunities through quarterly Board reporting on operations, risk management and strategic performance. The Audit and Risk Management Committee receives quarterly risk reports, reviews the Risk Management Framework (which includes climate-related environmental risks) at least annually, and reports material matters to the Board.

(iv) Consideration of climate-related matters in decision-making

The Board considers climate-related risks and opportunities when overseeing the Group's strategy, major business decisions and risk management processes. Climate-related factors are considered within existing processes for strategic planning, capital allocation, budgeting and enterprise risk management. Climate-related matters considered by the Board include regulatory developments affecting building standards (including NCC 2022 energy-efficiency requirements), operational risks from extreme weather, and market demand for energy-efficient homes. These considerations are reflected in Board deliberations through regular operational, financial and risk reporting cycles, including evaluation of relevant trade-offs where they arise.

(v) Target setting and monitoring, including remuneration linkages

The Board oversees the Group's climate-related operational commitments, including implementing NCC 2022 energy-efficiency requirements in line with mandated implementation dates in each state of operation and progressively increasing the proportion of new home designs capable of achieving a 7-S NatHERS energy rating.

The NCC 2022 7-S NatHERS requirement is currently in effect, with the Group fully compliant across all states in which it operates. Building Ministers have frozen further tightening of these requirements until mid-2029.

The Group has not set formal short-term climate-related targets beyond these regulatory and operational commitments. Progress on NCC 2022 implementation and the 7-S NatHERS program is monitored through operational and risk reporting to the Board and its Committees.

Climate-related metrics are not currently incorporated into executive remuneration arrangements. The Nomination and Remuneration Committee reviews remuneration practices and policies annually and considers whether introducing climate-related metrics would be appropriate in light of the materiality of climate-related risks and opportunities and the availability of robust, measurable metrics.

(b) Management's Role in Assessing and Managing Climate-related Risks and Opportunities

(i) Management responsibility and organisational structure

Day-to-day responsibility for climate-related risks and opportunities rests with the CEO and Executive Leadership Team. Climate-related responsibilities are embedded within existing management roles and processes, and no separate committee is used. Management reports climate-related matters to the Audit and Risk Management Committee and the Board through the established risk reporting processes.

(ii) Controls and procedures for managing climate-related risks

Management uses existing operational and risk management processes to identify and manage climate-related risks. These processes include the Group's ISO 14001:2015 Environmental Management System, which provides structured procedures for identifying environmental aspects such as energy use and resource consumption, setting objectives related to energy efficiency, implementing operational controls for managing environmental and site risks, and undertaking regular audits. Climate-related risks are also considered within the Environmental risk category of the Risk Management Framework. These processes are integrated with relevant internal functions, including operations, finance, procurement, WHSEQ and design.

Material climate-related risks and any significant changes in risk ratings or control effectiveness are reported to the Audit and Risk Management Committee and the Board through the risk reporting process.

(iii) Data sources

The Group's climate-related disclosures draw on: internal site start profile, sales and materials procurement data; National Greenhouse Accounts (NGA) emission factors applied under the GHG

Protocol Corporate Accounting and Reporting Standard; Bureau of Meteorology and CSIRO climate projections; and analysis prepared by external climate consultants, including scenario modelling and physical risk assessment. The scope includes operations and activities across all states in which the Group operates.

Internal data is subject to standard finance and operational data controls; external data is drawn from published government and scientific sources.

Strategy

(a) Climate-related risks and opportunities

The Group has considered climate-related risks and opportunities that may affect its operations, financial performance and strategic objectives over the short, medium and long term. These considerations are informed by the nature of the Group's residential construction activities, the regulatory environment in which it operates and broader market conditions.

The following climate-related risks and opportunities have been identified as relevant to the Group's operations and strategy:

Physical risks include extreme weather events (heat, storms, flooding) causing construction stoppages or delays on project sites, disruption to building materials supply chains, and increased costs from adverse site conditions. Transition risks include escalating building energy-efficiency standards under the National Construction Code (NCC), potential future carbon pricing mechanisms affecting materials and energy costs, and changing customer preferences toward energy-efficient and lower-carbon homes. Climate-related opportunities include increased market demand for energy-efficient homes, competitive advantage from early adoption of higher energy-efficiency standards, and participation in government-supported affordable and social housing programs where energy efficiency is a requirement.

These climate-related risks and opportunities are not evenly distributed across the Group's operations. Geographically, site activity is heavily concentrated in Victoria, which accounted for approximately 81% of the Group's site operations in FY26 - comprising Victoria Metro (~33%), Victoria Country North (~24%), Victoria Country West (~15%) and Victoria Country South (~8%). The remainder of site activity is in Queensland (~10%) and South Australia (~9%). This concentration means physical climate risks affecting Victoria, including flood exposure in outer-metropolitan growth corridors and extreme heat impacts on construction productivity, represent the Group's most significant geographic point of exposure (refer to the physical risk exposure metric in Metrics and Targets).

Key material supply is also concentrated among a small number of suppliers: timber (two suppliers servicing Victoria and Queensland, and one in South Australia), steel (two to three suppliers), concrete (two suppliers) and hardware (two suppliers). The Group considers this concentration risk to be mitigated by its 77-year operating history and financial stability, which support strong, established supplier relationships and consistent access to key materials relative to less established builders.

(b) Impact on business model, strategy and financial planning

Climate-related risks and opportunities may affect the Group's business model and strategy through impacts on construction delivery, operating costs, regulatory compliance, product design and customer demand. Physical climate impacts may affect site productivity, safety and scheduling, while transition-related factors may influence design standards, materials selection and cost structures. The Group's construction and subcontractor arrangements do not currently contain specific provisions allocating climate-related risk; accordingly, such risk is generally retained by the Group rather than transferred through the contractor model.

The Group performed a preliminary assessment on how these potential impacts affect its strategy, product offerings and financial planning. Consideration of climate-related factors is addressed within existing strategic planning, operational risk management and budgeting processes where relevant.

Current period impacts: In FY26, the Group did not experience material weather-related construction delays or associated cost impacts. Accordingly, no material current-period financial effects on the Group's financial position, financial performance or cash flows have been attributed to climate-related physical risks in the current reporting period.

Anticipated future impacts: Notwithstanding the above, the Group recognises that weather-related disruption to construction activity is a recurring feature of the residential construction industry, where productivity is commonly measured in terms of site days and task completion. Extended weather delays can increase direct costs, including extended plant and equipment hire costs, and can affect the timing of progress (stage) claims under construction contracts, which in turn may place strain on working capital and liquidity. Over the medium to long term, the Group anticipates that increasing frequency or severity of extreme weather events may lead to: increased cost of construction from extended build programs and elevated direct costs; potential impacts on the timing of revenue recognition and cash collection where stage claims are delayed; and increased insurance costs, particularly for sites in regions of elevated physical risk exposure as described in the cross-industry metrics in Metrics & Targets.

Affected financial statement line items: Based on the nature of these risks, the financial statement line items most likely to be affected in future periods include cost of construction/work in progress, and progress billings.

At this stage, the Group has not identified these potential impacts as being reasonably expected to have a material effect on its financial statements. However, management will continue to monitor climate-related physical risks, including the geographic exposure of its operations and developments, and incorporate these considerations into its enterprise risk management, strategic planning and capital allocation processes.

Energy-Efficient Products

The transition to a lower-carbon built environment presents a material growth opportunity for the Group. The Group is well-positioned to capitalise on the structural shift in customer demand toward energy-efficient, lower-carbon homes — a shift that is being accelerated by rising energy costs, tightening regulatory standards, and growing consumer awareness of the long-term operating cost benefits of energy-efficient construction.

Baseline Energy Efficiency Standard

All homes delivered by the Group are designed to comply with the energy efficiency requirements of the National Construction Code (NCC), which are intended to reduce the environmental impact of residential buildings by minimising energy consumption and improving overall home performance. Every new home design undergoes an independent energy assessment to confirm compliance with current 7-Star energy efficiency standards across all orientations prior to market release. Whole of Home compliance is a mandatory requirement under the NCC. In Victoria, the Group's primary operating market, compliance is achieved through the standard solar inclusion, which offsets the home's energy use.

As part of this process, the Group also completes a Whole of Home assessment for each design to ensure all fixed appliances within the home achieve the required level of carbon offsetting. In most cases, this is achieved through the inclusion of a standard solar photovoltaic (PV) system, which is provided as a standard inclusion across the Group's home range. This system can be upgraded to accommodate clients with larger energy requirements or additional fixed electrical appliances.

Customer Sustainability Upgrade Pathway

Beyond the regulatory baseline, the Group offers an extensive range of energy-efficient products and sustainability upgrades through its gallery selections process, enabling customers to tailor their home to their individual sustainability goals, lifestyle requirements, and long-term energy savings objectives. Available options include:

- All-electric home solutions
- Double-glazed and thermally broken windows and doors
- Additional insulation upgrades
- Rainwater tanks
- Upgraded solar PV systems
- EV charging stations
- Home battery storage systems
- Heat pump hot water systems
- Reverse cycle air conditioning systems

This upgrade pathway positions the Group ahead of anticipated regulatory change. With NCC energy-efficiency standards expected to continue tightening beyond the current 7-Star requirement, the Group's existing product capability and customer education infrastructure provide a competitive advantage in meeting both current and future market demand for sustainable residential construction.

Resourcing of climate-related activities

Climate-related activities are currently resourced through the Group's existing governance and management structure, rather than through a dedicated climate or sustainability function. The CFO is accountable for the preparation of the Group's AASB S2 climate disclosures, supported by the ESG Working Group, which is responsible for coordinating data collection, drafting disclosures and maintaining the Group's ESG risk register.

The leaders of operations, construction and legal are consulted on climate-related risk identification and regulatory matters relevant to their respective areas. During the year, the Group also engaged external consultants to support specific climate-related work, including climate scenario analysis, where specialist capability is required beyond existing internal resources.

The Group will continue to review the appropriate level of resourcing for climate-related activities as its reporting obligations under AASB S2 mature, including consideration of whether a dedicated sustainability role or function is warranted in future periods.

(c) Time horizons

For the purpose of assessing climate-related risks and opportunities, the Group has defined the following time horizons, aligned with its strategic planning and risk management processes:

- **Short term (0-2 years):** Impacts on current construction activities from extreme weather events, immediate regulatory compliance requirements, and operational performance
- **Medium term (3-5 years):** Changes in customer preferences, evolving building and energy-efficiency standards, cost structures and supply-chain conditions
- **Long term (beyond 5 years):** Structural changes in housing design expectations, long-term regulatory settings and chronic physical climate conditions (such as temperature changes and precipitation patterns)

(d) Resilience of strategy

The Group maintains flexibility within its strategic planning and operational processes to respond to changes in regulatory requirements, market conditions and operational risks, including those that may arise from climate-related factors.

During the reporting period, the Board and management considered a qualitative climate scenario analysis, prepared with the assistance of wider stakeholders, to assess the resilience of the Group's strategy under a range of plausible climate futures.

Three scenarios were considered, differentiated by the extent of global climate policy action and the resulting level of physical warming:

Net Zero 2050 (~1.5°C warming): Coordinated global policy action and rapid decarbonisation. Transition risk dominates, with tightening energy-efficiency standards, potential embodied-carbon requirements, and rising input costs for higher-carbon materials, offset by strong and growing customer demand for energy-efficient homes. Physical risks remain broadly in line with current conditions.

Delayed Transition (~2.6°C warming): Policy action delayed into the early 2030s followed by a rapid, disorderly catch-up. The Group would face compounding pressure from sudden regulatory change alongside moderating but rising physical disruption, including greater exposure to material cost volatility and tightening insurance and finance conditions in higher-risk locations.

Hot House World (~4°C+ warming): Limited further policy action and accelerating physical climate impacts. Physical risk dominates, with potential for extended build times, reduced construction productivity on extreme heat days, rising insurance costs and, in the most exposed locations, reduced insurance and finance availability.

For each scenario, the assessment considered implications for construction operations and productivity, supply chain and material costs, customer demand for energy-efficient product, and the availability and cost of insurance, across the short-, medium- and long-term time horizons set out in Strategy section (c) above.

Having considered this analysis, the Board's view is that the Group's strategy remains resilient under all three scenarios over the short to medium term, supported by the Group's existing energy-efficient product capability, its diversified site and supplier base, and the flexibility of its existing risk management and strategic planning processes.

The Board recognises that physical risk exposure increases materially under higher-warming scenarios over the longer term and will continue to monitor this exposure as part of ongoing strategic and risk management processes. The Group intends to develop its scenario analysis capability further in future reporting periods, including progressing toward more quantitative assessment as data and methodologies mature.

Risk Management

(a) Processes for identifying, assessing and prioritising climate-related risks and opportunities

The Group identifies and assesses climate-related risks and opportunities through its existing enterprise risk management processes. Climate-related risks are considered within the Environmental risk category of the Risk Management Framework and are assessed using the Group's existing risk assessment methodology. Risks assessed as material to the Group's prospects are prioritised for monitoring and management response.

Climate-related risk — specifically the risk of non-compliance with ESG governance regulations and corporate disclosure requirements — is assessed within the "Environmental (ESG)" category of the Group's Enterprise Risk Register, using the same likelihood and consequence matrix applied across all enterprise risk categories. This risk is currently rated Medium (Consequence: Moderate; Likelihood: Possible), which is below the Group's highest-rated (High/Extreme) enterprise risks, which relate primarily to strategic and financial matters. This rating reflects the Group's assessment of the nature of

the risk (regulatory, compliance and reputational, rather than physical environmental impact), consistent with the qualitative criteria applied to the Group's other enterprise risks.

Consistent with the Group's other risk categories, this risk is monitored on an ongoing basis by management and formally reviewed by the Audit and Risk Management Committee, which reports material matters and any change in risk rating to the Board.

As this is the Group's first year of disclosure under AASB S2, no comparative information on changes to these processes compared with the prior reporting period is presented.

Climate-related opportunities are identified through consideration of market developments, regulatory changes and customer preferences, and are assessed through existing strategic planning and business development processes.

Scenario analysis has, to date, been applied to inform the Group's assessment of risk resilience (refer to Strategy section) rather than the identification of climate-related opportunities, which are instead identified through ongoing monitoring of market, regulatory and customer developments.

(b) Processes for managing climate-related risks

Climate-related risks are managed through existing operational, environmental and risk management controls rather than through a separate standalone climate risk framework.

The Group's ISO 14001:2015 Environmental Management System provides structured procedures for identifying and managing environmental aspects relevant to its operations, including energy use, resource consumption and site-related environmental risks.

(c) Integration of climate-related risk management into overall risk management

Climate-related risks are integrated into the Group's overall risk management framework. Material climate-related risks and any significant changes in risk ratings or control effectiveness are reported to management, the Audit and Risk Management Committee and the Board through established risk reporting processes.

In addition to informing the Group's assessment of strategic resilience (refer to Strategy section), the climate scenario analysis has also informed the Group's identification and prioritisation of climate-related risks within its risk management processes described above, including the physical and transition risk factors reflected in the cross-industry metrics disclosed in Metrics & Targets.

Metrics and Targets

(a) Climate-related metrics

The Group measures greenhouse gas emissions as its climate-related metric. In accordance with AASB S2 cross-industry metric requirements, the Group is also assessing the proportion of its assets and business activities that are vulnerable to climate-related transition risks and physical risks.

In accordance with AASB S2, the Group has assessed the proportion of its business activities exposed to climate-related transition risk, physical risk and opportunities, based on FY26 data.

Transition risk: Analysis of spend across the Group's top 15-20 suppliers in FY26 indicates that approximately 25-30% relates to higher-carbon, transition-exposed material categories (including concrete, steel, masonry and aluminium), with the remaining 70-75% relating to lower-exposure categories (including timber and other building materials). This concentration reflects the structural materials composition of detached residential construction and represents the Group's primary point of exposure to potential future carbon pricing or embodied-carbon regulation affecting material costs.

Physical risk: Based on preliminary internal analysis of site locations, the Group estimates that approximately 20% of its FY26 site starts are located in areas with potential flood or bushfire exposure. This estimate will be refined through formal hazard-map analysis in future reporting periods.

Climate-related opportunities: Approximately 15% of contracts signed in FY26 included at least one sustainability-related upgrade beyond the Group's standard inclusions through its gallery selections process, such as upgraded solar PV, battery storage, all-electric solutions or EV charging infrastructure. The Group views this uptake rate as an indicator of the growing market opportunity presented by energy-efficient and lower-carbon product offerings.

(b) Greenhouse gas emissions

The Group has adopted the operational control approach in determining its emissions reporting boundary, consistent with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. This approach was selected in preference to alternatives such as the equity share or financial control approaches because it reflects the entities and operations over which the Group exercises the authority to introduce and implement operating policies and is consistent with the basis on which the Group manages and reports on its operations internally.

National Greenhouse Accounts Factors 2025 were used to calculate Scope 1 and Scope 2 emissions, as these are the emission factors published by the Australian Government specifically for use in the Australian context and are consistent with the methodology applied under the GHG Protocol.

The Group procures electricity through standard retail supply arrangements with Origin Energy and AGL. These arrangements do not include GreenPower, renewable energy certificates, or any other contractual instrument for Scope 2 greenhouse gas emissions. The Group does not currently hold any such contractual instruments.

The Group does not currently track climate-related capital expenditure and investment as a separate line item. Investment in energy-efficient design capability and standard solar PV inclusion is embedded within the Group's broader operational and construction expenditure and is not separately identified or measured. The Group will consider whether separate tracking of climate-related capital expenditure is appropriate in future reporting periods as its climate reporting capabilities develop.

The Group does not currently apply an internal carbon price to its investment or operational decisions. The Group will consider the use of an internal carbon price as its climate risk assessment and transition planning capabilities mature.

The Group's greenhouse gas emissions for FY2026, measured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard using the operational control approach:

Emission Type	Metric Tonnes CO₂-e
Scope 1 (direct emissions)	
— Fuel (diesel)	1,641
— Natural gas (offices, display homes)	199
Total Scope 1	1,840
Scope 2 (purchased energy — electricity)	
— Electricity (location-based)	1,060
Total Scope 1 + 2 (location-based)	2,900

Emissions include all entities and operations where the Group has operational control, applying the operational control consolidation approach.

The Scope 1 and Scope 2 emissions disclosed above relate to the consolidated Group, determined on an operational control basis. DFH was fully integrated into the Group's operations and resourcing during

FY26, and its emissions are accordingly included within the consolidated Group figures disclosed above. This includes all DFH sites, including display homes, with sites held or controlled for only part of the FY26 reporting period included in the calculation on a part-year basis reflecting the period of Group control.

The Group holds an interest in a joint venture arrangement in Western Australia. As no site starts had commenced under this joint venture as at 30 June 2026, no emissions have been attributed to it for FY26. The Group will assess and, where relevant, disclose emissions associated with the WA joint venture from the period in which construction activity commences.

Emissions factors are sourced from the Australian Government's National Greenhouse Accounts (NGA) Factors. Scope 3 emissions are not required to be disclosed for the current reporting period. The Group has elected to apply the transitional relief provided under AASB S2.C4(b) and will commence Scope 3 reporting for the financial year commencing 1 July 2026.

The Group will commence Scope 3 reporting for the financial year commencing 1 July 2026 in accordance with the AASB S2 phased requirements for Group 1 entities.

(c) Climate-related targets

The Australian government has set a national target to reduce emissions by 62-70% below 2005 levels by 2035 and a long-term target of net zero by 2050. The Group has adopted an emissions reduction target of 20% by 2035, but has not yet adopted a net zero target or timeframe. The Group will consider the appropriateness of a net zero commitment as its transition planning capability matures.

The 20% target was not derived using a sectoral decarbonisation approach; it reflects a bottom-up assessment of achievable reductions from specific initiatives, including transitioning to lower-emission electricity procurement (including GreenPower where appropriate), fleet rationalisation, and working with key suppliers to reduce embodied emissions in materials. The Group considers the target achievable as these initiatives are within its direct operational control and do not depend on unproven technology.

The Group's transition plan supporting its 20% emissions reduction target by 2035 is expected to be delivered through a combination of the following areas, which will be developed into a more detailed roadmap with specific milestones as the Group's climate capability and data matures:

- Product and design: Continuing to embed energy-efficient design and standard solar PV inclusion across the Group's home range, with further uplift in standard specifications considered as NCC requirements and customer demand evolve;
- Fleet and operations: Assessing opportunities to reduce emissions from the Group's vehicle fleet over time, including consideration of lower-emission and electric vehicle options as they become operationally and commercially viable; and
- Energy procurement: Monitoring the availability and cost-effectiveness of renewable energy procurement options, including GreenPower and renewable energy certificates, as part of ongoing energy procurement decisions.

Achievement of the Group's targets is dependent on a number of factors outside the Group's direct control, including the pace of decarbonisation in the broader electricity grid, supplier capability and data availability, the evolution of vehicle and construction technology, and future regulatory settings. The Group intends to develop more detailed interim milestones and a more specific implementation roadmap in future reporting periods as these dependencies become clearer.

The following provides additional detail on the Group's emissions reduction targets, consistent with AASB S2:

Element	Disclosure
Metric	Scope 1 and Scope 2 greenhouse gas emissions (tCO ₂ -e)
Target type	Absolute target of 20% reduction
Baseline year	FY26
Interim milestone	To be established in future reporting periods as the Group's transition plan (see above) is further developed
Long-term targets	20% reduction by 2035
Gases covered	All applicable greenhouse gases under the National Greenhouse and Energy Reporting scheme, expressed as CO ₂ -equivalent
Gross or net	Gross target — the target does not rely on the use of carbon offsets or credits and is intended to be achieved through operational emissions reductions
Methodology	Operational control approach under the GHG Protocol, using National Greenhouse Accounts (NGA) Factors, consistent with the basis described above
Planned use of carbon credits	None planned in achieving the target
FY26 performance against target	FY26 represents the baseline year against which future performance will be measured. Progress against the target will be reported from FY27 onwards.

INDEPENDENT AUDITOR'S REVIEW REPORT ON SPECIFIED SUSTAINABILITY DISCLOSURES OF SIMONDS GROUP LIMITED

To the Members of Simonds Group Limited

Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Simonds Group Limited (the Group) for the year ended 30 June 2026 as required by Australian Standards on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Table 1: The specified Sustainability Disclosures:

Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 <i>Climate-related Disclosures</i> (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Pages 73 to 75
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Pages 75 to 78
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Page 80

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

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

Basis for Conclusion

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

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



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

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

We are independent of the Group in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all applicable amendments) (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures and public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

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

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

Other Information

The directors of the Group are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2026 but does not include the specific Sustainability Disclosures as described in Table 1 of our auditor's report.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. We have issued a separate opinion on the Financial report, including the Remuneration Report, included in the Annual Report.

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



Responsibilities for the specified Sustainability Disclosures

The directors of the Group are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations in Preparing the specified Sustainability Disclosures

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

Auditor's Responsibilities

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

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

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Reviewed the specified Sustainability Disclosures against the disclosure requirements of AASB S2, considering the knowledge obtained and evidence gathered throughout the engagement, to assess whether the disclosures were complete and accurate;
- Conducted enquiries with Management regarding the systems, methodologies, processes and controls used to capture, compile, calculate and report the specified Sustainability Disclosures, and assessed whether these were consistent with the requirements of AASB S2 and relevant measurement methodologies;
- Examined, on a sample basis, governance-related documentation including board and committee charters, policies, meeting minutes and other supporting evidence, to assess oversight and monitoring of climate-related matters and support for the governance disclosures;
- Performed enquiries of Management regarding the approach taken to:
 - Identify climate-related risks and opportunities; and
 - Identify material information for disclosure with regards to the Strategy (risks and opportunities) disclosures;
- Made enquiries of Management and inspected supporting documentation to evaluate the completeness and accuracy of the organisational boundary adopted, together with the identification of emission sources relevant to the specified Sustainability Disclosures;
- Enquired of Management regarding the assumptions, conversion factors and greenhouse gas emission factors applied in the calculation of Scope 1 and Scope 2 emissions;
- Undertook analytical procedures over the reported Scope 1 and Scope 2 emissions, including an assessment of the underlying activity data used in their preparation; and
- Tested the calculations supporting Scope 1 and Scope 2 emissions, including agreeing selected activity data to third-party source documentation on a sample basis to assess accuracy and completeness.

A stylized, handwritten signature of the PKF firm, consisting of the letters "PKF" in a cursive, flowing script.

PKF

Melbourne, 30 September 2026

A handwritten signature in black ink, appearing to read "K. Weldin" with a stylized flourish at the end.

Kenneth Weldin

Partner

Contact

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