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2025

Annual Report



SKS Technologies



Paths of Unity by Bayley Mifsud (Merindah Gunya)

Acknowledgement of Country

SKS Technologies and its Board, management and employees respectfully acknowledge the Traditional Owners of the land upon which it operates its business and pay respect to their Elders past, present and emerging.

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FY25 Summary Appendix 4E

SUMMARY 4E (A$000S)	% CHANGE	2025	2024
Revenue from ordinary activities	92.0%	$261,655	$136,309
Profit from ordinary activities after tax attributable to members	111.8%	$14,029	$6,625
Net profit for the period attributable to members	111.8%	$14,029	$6,625
Net tangible assets per share	138.7%	18.07 cents	7.57 cents
Operating cashflow per share	310.9%	30.94 cents	7.53 cents

DIVIDEND (CENTS)	FY25	FY24	FY23
Interim dividend	1.0(f)	-	-
Final dividend	5.0(f)	1.0(f)	0.2(u)
Total dividend	6.0(f)	1.0(f)	0.2(u)

(f) = fully franked, (u) = unfranked

DIVIDEND DATES	
Record date for determining final dividend entitlements	19 September 2025
Final dividend payment date	16 October 2025

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SKS TECHNOLOGIES 2025 ANNUAL GENERAL MEETING

DATE: 20 NOVEMBER 2025
TIME: 11AM
VENUE: SKS TECHNOLOGIES, 700 SPENCER ST, WEST MELBOURNE, VIC

FY25 Operational Performance Snapshot

Data Centre Revenue

▲ ~4.5x on pcp

$140.7m

Employees

▲ 35.9% on pcp

950+ FTEs

Total Sites

▲ 8

1 new close to data centre work

Hours Worked

▲ 69.1% More productive hours on pcp

Fleet CO_2 Emissions

▼ 21.3% on pcp

591,120t

Work on Hand (WoH)

▲ 108.3% on pcp

$200m

SKS successfully delivered AirTrunk's MEL01 hyperscale data centre infrastructure, encompassing the full suite of critical systems.

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FY25 Financial Performance Snapshot

Sales Revenue
▲ 92.0% on pcp
$261.66m

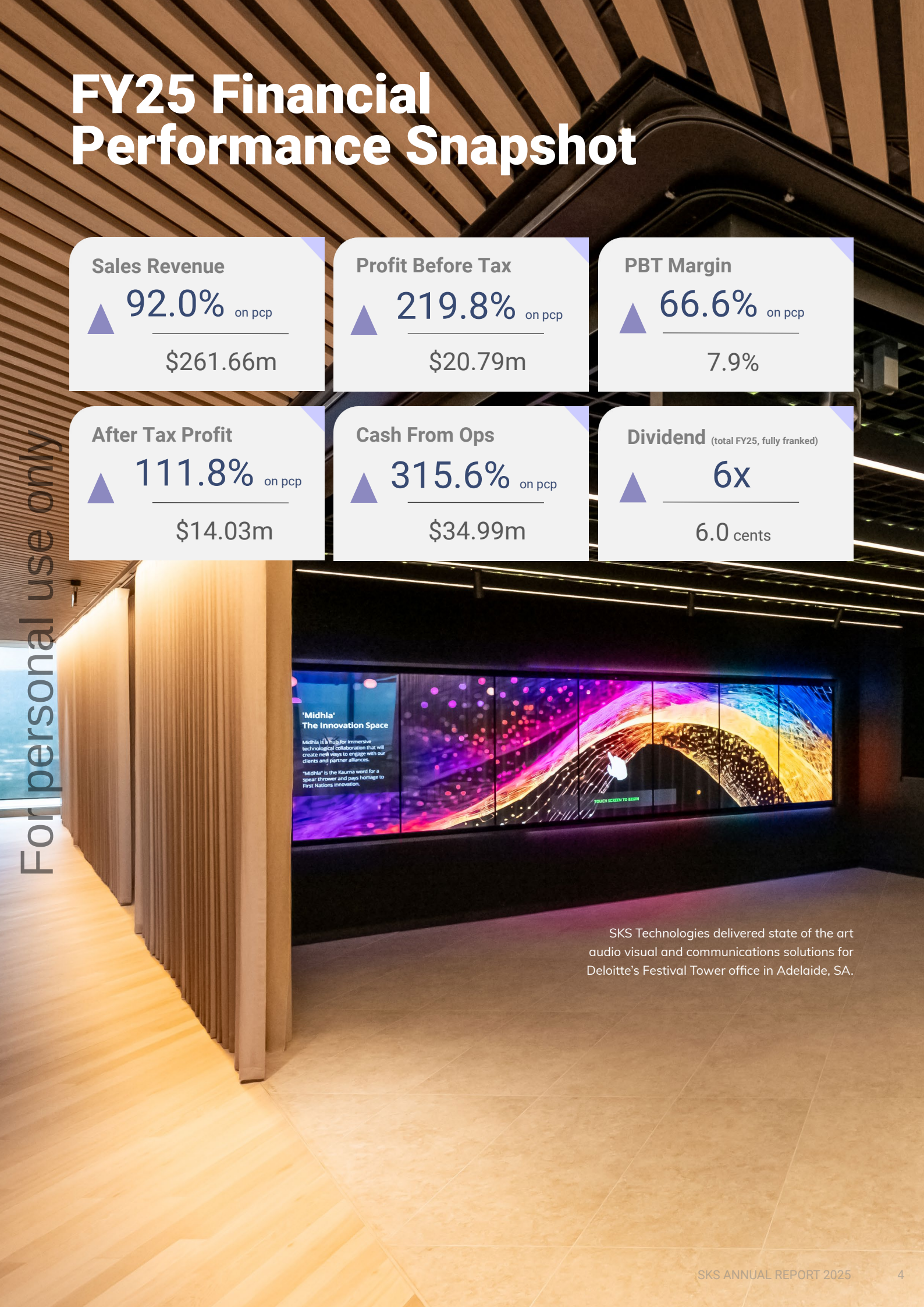
Profit Before Tax
▲ 219.8% on pcp
$20.79m

PBT Margin
▲ 66.6% on pcp
7.9%

After Tax Profit
▲ 111.8% on pcp
$14.03m

Cash From Ops
▲ 315.6% on pcp
$34.99m

Dividend (total FY25, fully franked)
▲ 6x
6.0 cents



SKS Technologies delivered state of the art audio visual and communications solutions for Deloitte's Festival Tower office in Adelaide, SA.

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Vision, Mission and Values



Electrical and communications infrastructure upgrades at Roy Hill Mine in the Pilbara region of WA.

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VISION

To drive future electrical technology landscapes through innovation, feasibility and efficiency that continuously captures potential and builds new ways of thinking.

MISSION

To execute creative, client-centric electrical technology solutions for unique and complex needs, safely and professionally.

VALUES

- Client Focus
- Integrity
- Quality & Safety
- Teamwork

Fully Integrated, End-to-End Electrotechnology Solutions



Electrical and communications works for Ginbata Airport in Newman, WA.

AUDIO VISUAL

Video conferencing and collaboration spaces
Unified communications
Digital signage
Video walls
Digital audio systems
Remote monitoring and helpdesk support



Audio visual systems for New Hope Group's head office in Brisbane, QLD.

COMMUNICATIONS

Design and installation of copper and fibre structured cabling systems
Wireless access networks and surveys
Smart buildings and converged networks
Network management
Managed services and remote hands



Communications works for Vena Energy at Tailem Bend Solar Farm, southeast of Adelaide, SA.

ELECTRICAL

Electrical design and engineering services
High voltage systems
Switchboard and metering
Generator backup solutions
Uninterruptible power supplies
General light and power
Service and maintenance services



Electrical and communications works for AirTrunk hyperscale data centre, Melbourne, VIC.

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Value Creating Approach



Specialised electrical and communications works for RAAF Base Tindal Redevelopment, NT.

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Diversified

A diversified business, by geography, segment, customer and end market

Trusted and respected

A trusted and respected brand built up through execution excellence and an enduring network of relationships across the entire market landscape

Growing work on hand

Ability to convert a continually growing pipeline into an ever expanding order book

Sufficient capital for growth

Appropriate level of capital to continue expanding the business organically as well as consider opportunistic acquisitions as they arise

Highly skilled workforce

Investment in acquiring new skills and expertise into the business to capture growing demand in attractive new markets has paid off and continues to deliver gains to the company

Chair and CEO's Report



Dear Shareholder

The FY25 year was marked by sizeable increases in earnings, cash and operational activity, taking the business to the next level of its evolution.

Undoubtedly, our unrelenting focus on organic growth has served the business well. Tangible benefits have flowed from the calculated risk we took in securing a team of people with the expertise and relationships to penetrate the data centre market in its early stages, and before we had secured contracts for work.

Over the past two years, we have built an order book and a reputation for excellence in execution on our data centre work that has generated substantial earnings gains and led to a significant portion of repeat work with data centre operators, including in the post construction phase.

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Electrical installation and integration works for a new data centre in Darwin, NT. The centre is a collaboration between NextDC and the NT Government.

We're often asked by investors and analysts, "What keeps you awake at night?". It's a common question, but an important one. Five years ago, the answer would have been very different from that of today, as we worked our way through restructuring, capital decisions based on limited resources, and how we would realise our growth ambitions with all the constraints that come with being a microcap business. Yet having achieved a significant level of growth, which has eased many of those constraints, the questions of those years, and the close analysis that went into those decisions has become habitual.

Today we are just as meticulous and cautious in every financial and operational decision we make. The approaches we took to begin the process of large and rapid growth are now firmly embedded across every aspect of the business.

A Culture Built on Relationships

Unlike many organisations, our culture has followed our operations in its organic development. Rather than designing, implementing and mapping a culture, it has morphed and grown through an ethos that has been intrinsic to the business; that is, a profound respect for people and an understanding of how to attract and motivate employees to form a formidable team. We have never forgotten the value of people across our entire value chain and the relationships that make them want to work for us, or supply to us, or to contract us for their projects. When a relationship is based on decades of proven reliance, a trust solidifies that becomes the foundation of "going the extra mile" to exceed expectations. The multitude of these foundations form a sustainable competitive advantage for the business, which is difficult to emulate, and we believe is one of the few core reasons for our rapid growth and superior project execution.

Financial Performance

As for FY24, our key FY25 metrics continue to validate the strategy we began to execute in January 2022. Since FY22, revenue growth has compounded annually by around 64.7%, but continued reinvestment in the business to support the many strategic activities underway meant that these increasingly higher levels of revenue did not translate into the profit levels sought and expected by the investment community until more recent years. Having emerged in FY24, a more fulsome financial performance was achieved in FY25 with a 219.8% increase in before tax profit and a quadrupling in operating cash flows between the two years.

These results boosted working capital by 212.9%, which, combined with increased bank facilities, positions the business well to achieve the next level of growth. The performance also enabled a sixfold increase in dividend payments for the FY25 period.

CHAIR AND CEO'S REPORT

Diversified Earnings Profile

In FY24, the business generated approximately $31 million in revenue from its entry into the data centre market sector. In FY25, that figure increased by four and half times or 353.9% to $140.7 million. This result validates the decision to enter that sector a few years ago, as well as the significant reinvestment in the operations in advance of revenue generation to accelerate the process with targeted recruitment of people with the necessary relationships, market knowledge and expertise.

However, the traditional SKS Technologies business has remained at the core of all growth plans and decisions, achieving a 15.2% increase in FY25 over FY24 and an annual growth rate since FY23 of almost 21.7%. There remains an ample pipeline of work in our traditional space across all sectors, but particularly in the Defence, Government, Corporate and Education sectors.

Increased Bank Facilities

During the year, we also secured a fourth increase in our CBA facilities since the initial approval in August 2022. Over those three years, the total facility amount has grown by more than four times, signifying the confidence of a major bank in our operations even before our strategy demonstrated the conversion of large gains in work on hand and revenue converting to profit. There is no doubt that this confidence, and the resulting approval of funds to SKS Technologies, was another cornerstone of our success.

Operational Performance

The growth in FY25 was underpinned by an operational performance delivering the underlying metrics that supported the financial outcomes.

Over the year, the business employed over 950 people to deliver more than 2,500+ projects across eight locations, including the new site in Victoria at Derrimut close to the data centre region. We began the year with $96 million of work on hand and completed it with more than double at $200 million. The revenue growth, as work on hand converts to sales, combined with the work on hand figures for the beginning and the end of the year are strong indicators of an accelerating speed of delivery and of a highly successful sales team that has aggressively driven our growth.

Major projects were won, progressed and completed for a range of blue chip commercial and government customers, while another focus for the business, increasing work from end user clients, also delivered growth. We are now being awarded additional work, including for large, global data centre operators, after project construction has been completed, directly with end user customers. This demand is another testament to our ability to design innovatively, execute with reliability and skill, and place the objectives of our customers at the forefront of everything we do.

Strategy

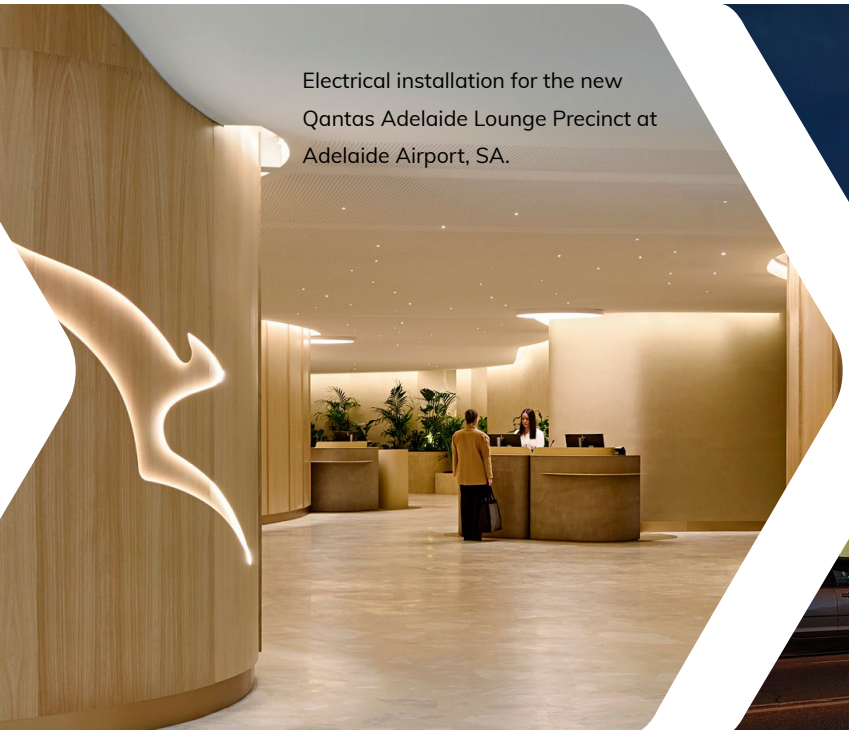
The dual strategy of continued organic growth while taking an opportunistic approach to complementary acquisitions has served us well to date and remains firmly in place.

Our diversified sector approach, and early mover position in data centres still drive our decisions relating to tendering and building work on hand. Maintaining financial strength with zero long term debt and scalable infrastructure across Australia are also priorities. Likewise, the strong parallel focus on building robust systems, governance, and operating processes to support our continued expansion is a key focus across every aspect of the business.

During FY25, we introduced and enhanced our systems and processes across all functions to support the next year of growth, including IT security reinforcement, plant and equipment upgrades for safety purposes, more advanced systems for improved forecasting, cost tracking and project management, and recruitment, induction and employee rewards and recognition initiatives and programs.

In FY22, the strategy drove some significant changes to the business, which when modelled, provided insight into the likely earnings. While FY24 indicated a modest profit, FY25 emerged as the year that would reveal the full benefit of the FY22 strategic initiatives. Our roadmap to achieve these results, as guided by our strategy, has delivered a business that is well founded for further innovation and expansion in an exciting external environment.

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Electrical installation for the new Qantas Adelaide Lounge Precinct at Adelaide Airport, SA.



Electrical and communications works for the Ngutungka Henley Library and Community Centre in Adelaide, SA.

CHAIR AND CEO'S REPORT

Thank You to Our Fantastic People

A business cannot achieve what we have achieved over the past few years, even before the financial results provided proof of the success of our strategy, without a level of dedication, resolve and inventiveness that well surpasses expectations.

We sincerely thank each employee and contractor for the energy, expertise, and commitment you have brought to SKS Technologies, and for your efforts in making a reality the excellent FY25 performance. We are deeply proud of what we have achieved together and excited for the opportunities ahead.

We're proud of the people who work with us and are constantly in awe of their ability to achieve anything they take on and achieve it to exceptional levels, including their ability to plan a project before it's out of the ground. The way they wear our uniform speaks volumes. Our signature black shirt with a logo is worn with such pride and is a telling sign of the pride they also have in their work.

Dividend

One of the most obvious markers of our success relates to the FY25 dividend. For the first time, the business paid an interim dividend, which was 1 cent per share. The final dividend of 5 cents per share brings the total dividend per share for the year to 6 cents, which is 6 times the level of the FY24 dividend.

We also thank our investors for their patience and continuing belief in our ability to deliver what we said we would deliver.

Outlook

While macroeconomic conditions since Covid have been uncertain, SKS Technologies has not experienced any business specific headwinds as a result of these broader conditions. All market sectors remain buoyant with the burgeoning data centre market in Australia expected to bring many tens of billions of dollars of investment according to most forecasts.

The board believes that the organic growth plans that have generated the enormous growth over the last year will deliver further growth in these strong markets, and is confident in providing an initial forecast of $300 million in sales revenue for the current financial year.



Peter Jinks
Chairman



Matthew Jinks
Chief Executive Officer

SKS delivered a comprehensive project for the new Australia Post Support Centre in Melbourne, installing AV equipment across multiple floors, highlighting our expertise in executing extensive AV and electrical systems fit out works.

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Strategic Approach

The SKS Technologies strategy has guided the business' substantial expansion over the past several years as it pursued increased levels of work that required higher amounts of capital and an increasingly more sophisticated operating platform.

In FY25, a range of initiatives and programs were introduced while others continued to ensure risk was managed, project quality, efficiency and margin performance were maximised, and capital was allocated to achieve optimum returns.

CONSOLIDATION

EXECUTION EXCELLENCE

- Focus on recruiting the right people
- Providing training programs for employees that foster attitudinal excellence
- Seek feedback from customers during and upon completion of projects

MARGIN FOCUS

- Ensure margins are maintained despite continuing rapid increase in market share
- Manage cost base to support growing operating platform

SYSTEMS ENHANCEMENT

- Invest in IT systems to support growth
- Build the operating framework to sustain a higher level of operating activity
- Continue to enhance safety culture

GROWTH

ORGANIC OR OPPORTUNISTIC ACQUISITION

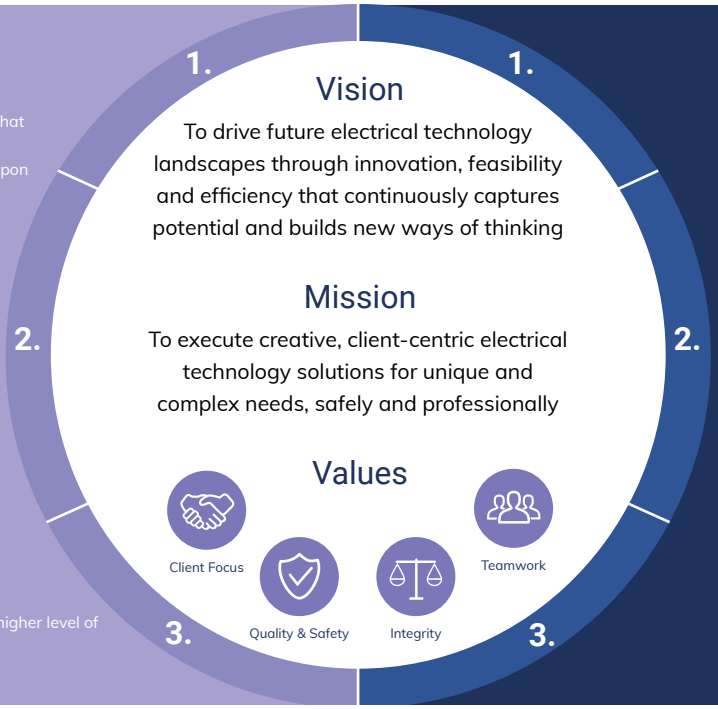
- Pursue core growth organically
- Assess opportunistic acquisitions for fit
- Anticipate market demand and direction

EFFICIENT USE OF CAPITAL

- Rigorously analyse investment options
- Constant eye on future capital needs

REVENUE DIVERSIFICATION

- Build state based customer accounts into national accounts
- Pursue growth in all sectors



FY25 STRATEGY SCORECARD

1.

- Introduced bespoke employee induction process
- Continue to build on our established, dedicated and highly skilled employees
- Increased specialised data centre teams, building customer relationships and securing additional work post construction completion

2.

- Increased PBT margin from 4.8% in FY24 to 7.9% in FY25 – 65.7% increase
- Contained overheads, which can now support up to $350m
- Targeted high margin work with processes to ensure margins were achieved

3.

- Invested $1m in new hardware for optimum performance
- Enhanced systems for improved forecasting, cost tracking and project management
- Increased IT security to comply with the Essential 8 Security Requirements
- Upgraded plant and equipment to minimise operator risk

1.

- Increased tender activity from ~$354 m in Aug 24 to ~$517m in Aug 25 – 46.0%
- Increased work on hand from $96m at FY24 to $200m at FY25 - 108.7%
- Opened new office site in Western Melbourne, close to data centre customers to build repeat business

2.

- Achieved 61.9% increase in bank facilities from $21.0m to $34m
- Built working capital from $5.12m in FY24 to $16.02m in FY25 – 212.9%

3.

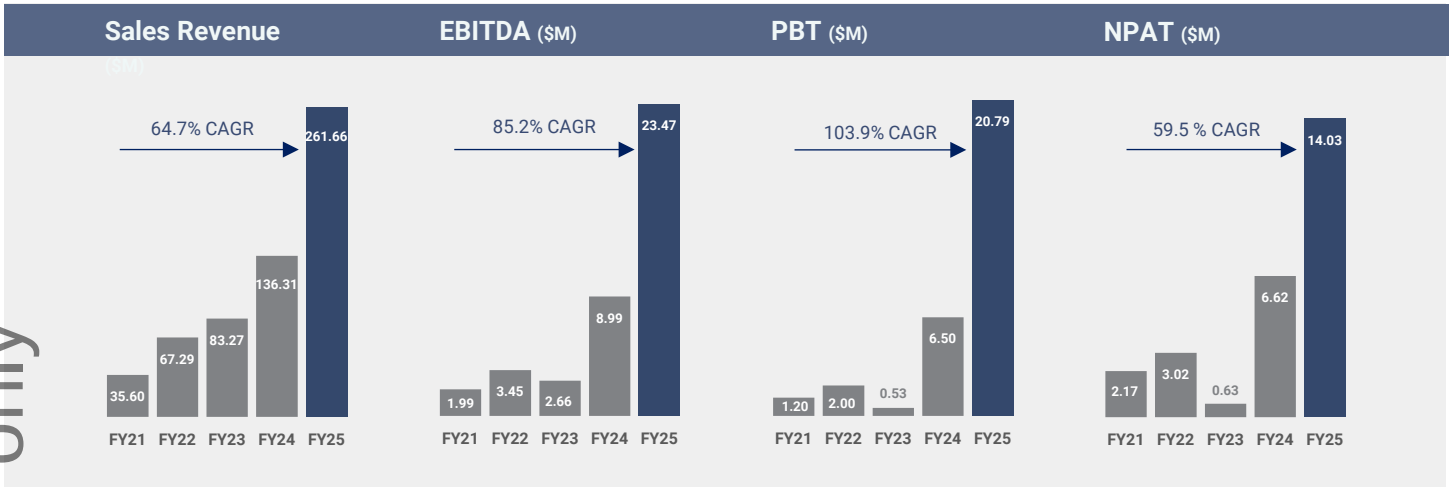
- Increased revenue in traditional business by 15.2% from ~105m in FY24 to $121m in FY25
- Achieved repeat business rate of 94% - indicative of new work from data centre relationships as well as traditional business
- Increased level of end user work emanating from data centre operators post construction completion

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Financial Performance

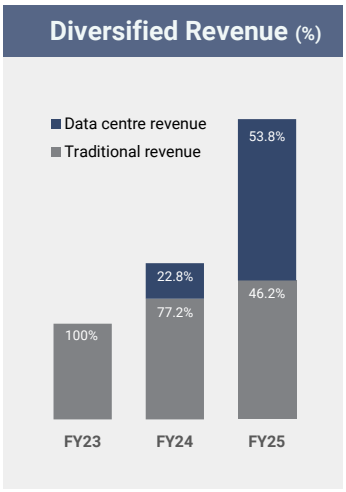
FY25 EARNINGS

Earnings were driven by increasing demand from major projects with developers and ongoing work for end user customers in the data centre sector, as well as from the traditional sectors, and continuing efficiencies from a fixed cost base able to support in excess of $350 million in revenue.



Revenue

Sales revenue effectively doubled between FY24 and FY25, with a 92.0% increase off the back of a 63.7% increase in the prior corresponding period. This result was driven by an order book that had seen quantum increases year on year. While the business's traditional revenue also increased by 15.2% and 26.5% for those same years respectively, the strategic decision in FY22 to enter the data centre market as an early entrant has propelled revenue significantly. In FY25, data centre revenue reached $140.7 million, comprising 53.8% of total sales revenue. A portion of this revenue was also earned via additional works secured after the construction phase was completed. These additional works were secured directly with large, global, data centre customers as a result of the level of project execution delivered by SKS Technologies during the construction stage.



While data centre market forecasts vary, there is consensus about the fact that the quantum of investment needed to build expected data facility capacity in Australia is in the many tens of billions of dollars.

Thus, there remains a strong focus on capturing increasing levels of data centre work in the business. Dedicated teams will also advance the organic growth strategy, pursuing increasingly levels of traditional work, to build diversification across markets, states and capabilities.

SKS Indigenous Technologies also achieved revenue in FY25 from a range of contracts across several states for the Australian Defence Force, and other blue chip customers, growing its revenue in the three years since inception to $27.0 million.

EBITDA/EBIT

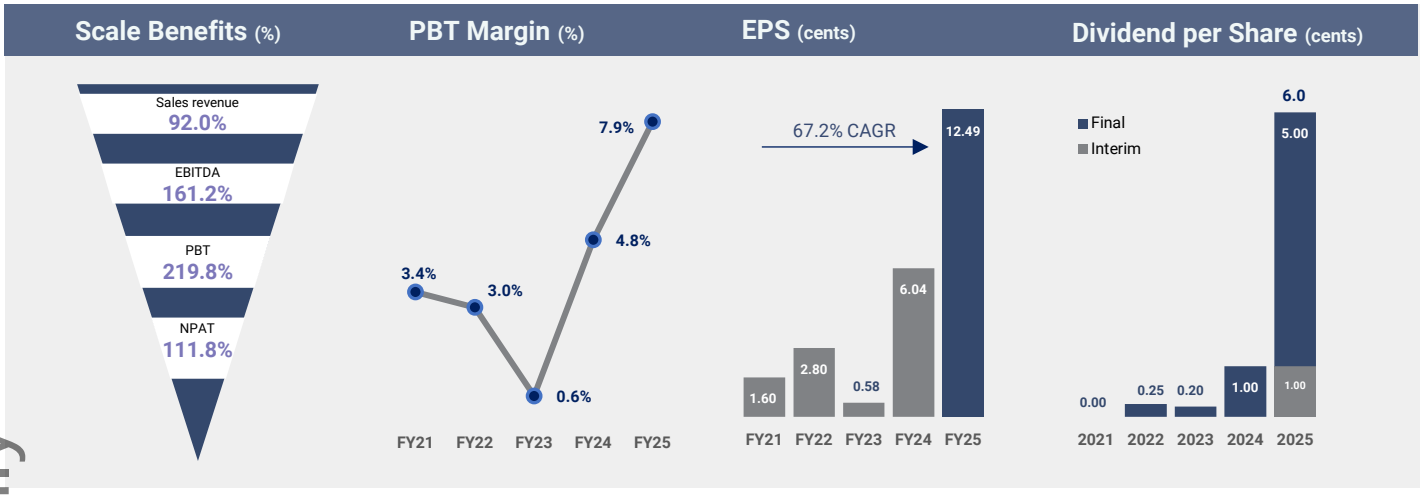
Earnings before interest, tax, depreciation and amortisation rose by 161.2% from $8.99 million in FY24 to $23.47 million in FY25. Expenses generally increased at lower rates than revenue, but for project related employee costs, due to changes in the revenue mix with an increase in data centre work. These projects require a higher proportion of electrical work and therefore higher employee numbers. The lower rate of increase in raw materials, resulting from equipment supply by clients, also contributed to the lower rate of expenses. Earnings before interest and tax increased by 192.2% from $7.06 million in FY24 to $20.64 million in FY25.

Profit

Profit before tax slightly exceeded FY25 guidance, increasing by 219.8% above FY24, while after tax profit grew by 111.8% over the same period. The strength of the results attracted a tax charge of $6.76 million.

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FY25 EARNINGS CONTINUED



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Margin and Scale Benefits

There are two reasons for the earnings increases that are well in excess of the revenue increase. Firstly, the changing mix of sales revenue, incorporating a higher proportion of data centre work, has a much lower raw material component, as it is supplied by the customer. Second, sales revenue has increased to the point where the operating platform can deliver the scale benefits anticipated in FY22 when the strategy was expanded to enter the data centre market.

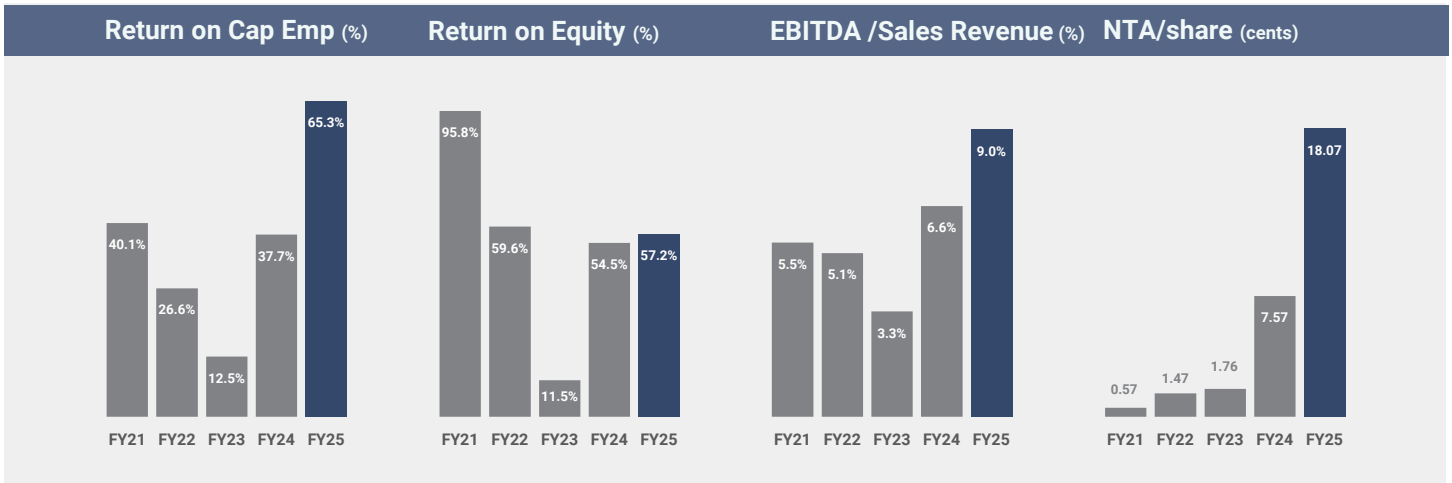
As such, the PBT margin increased by 65.7% over the year, reflecting the scale benefits flowing through, as well as the rigorous focus on pursuing projects with attractive margins, and diligent project management to ensure those margins are achieved or exceeded.

Shareholder Returns

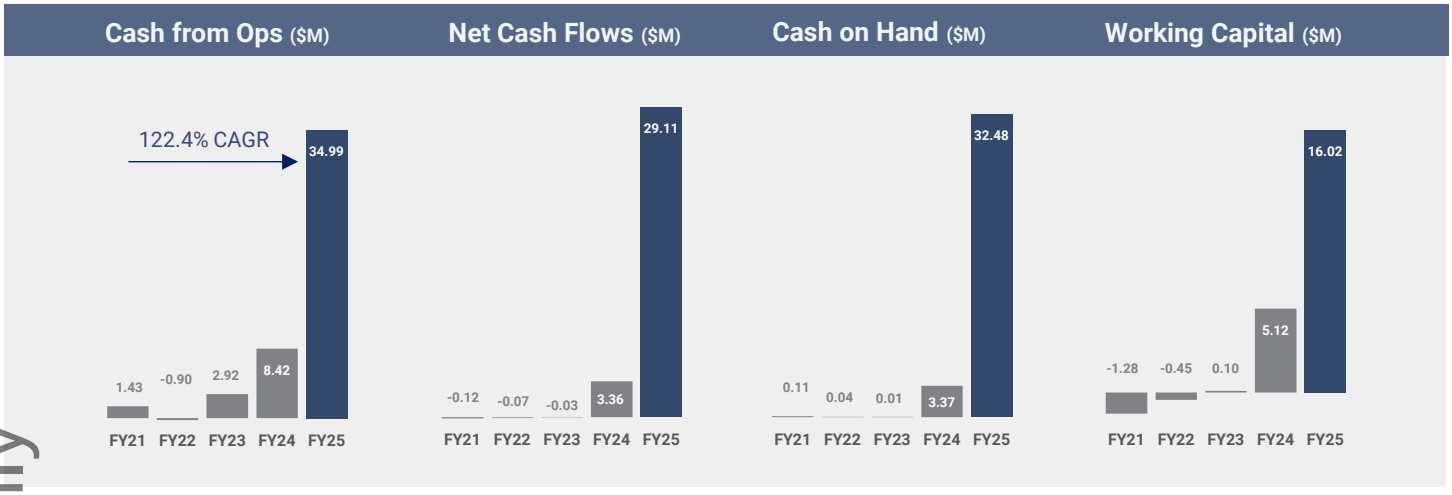
Earnings per share for FY25 grew by 106.8% as driven by the increase in after tax profit. On the back of another successful year for all earnings and cash metrics, the Board determined to pay a final, fully franked dividend of 5.0 cents per share, bringing the full year dividend to 6.0 cents per share. The first half of FY25 was the first time an interim dividend had been paid and was another marker of the company's significant and increasing operational momentum.

Key Ratios

Earnings and balance sheet ratios reflect the effects of the strategy implemented in late FY22 to move into the higher margin, specialist data centre market, with higher returns.



CASH, DEBT AND WORKING CAPITAL



Return on capital employed has increased by 73.1% since FY24 due to profitability increasing at a faster rate than capital employed to generate it. The lower ROE results from higher retained earnings from the FY25 profits and the significant tax expense.

Cash

Operating cash flows more than quadrupled from FY24 to FY25, leading to enormous increases in net cash flows and cash on hand of 8.7 times and 9.6 times respectively. Between FY21 and FY23, maximum cash reserves were reinvested to support an aggressive organic growth strategy, the benefits of which began to emerge in the cash position in FY24, and more emphatically in FY25.

Working Capital

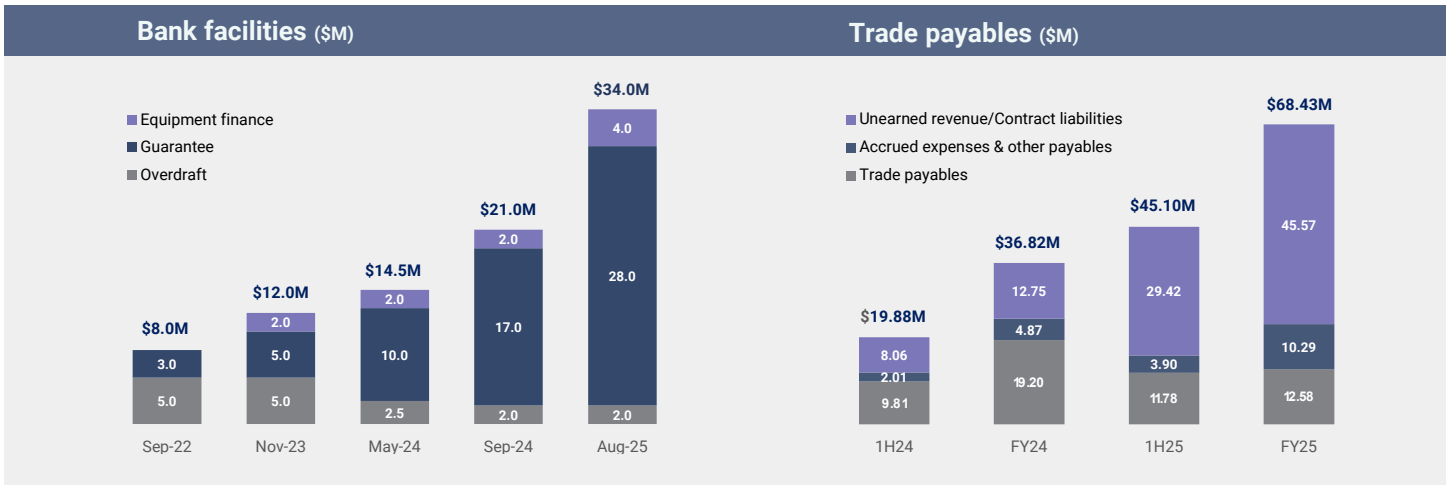
Strengthened cash reserves boosted FY25 working capital by more than 13 times, marking a $17.30 million turnaround since FY21, and an increase of 212.9% in FY25 over FY24.

Bank Facilities

The strong working capital position combines with the CBA bank facilities to provide a comfortable level of funding for continued organic growth as well as any opportunistic acquisition that emerge in the future. The facilities have increased by 61.9% since August 2024, and quadrupled since they were first secured in August 2022. Long term debt has remained at zero since FY23.

Trade and Other Payables

Trade and other payables has increased by 85.8% over FY24. Despite the increasing cash balances, trade payables has decreased by 34.5% since 30 June 2024. Contract liabilities have more than tripled due to higher work on hand.

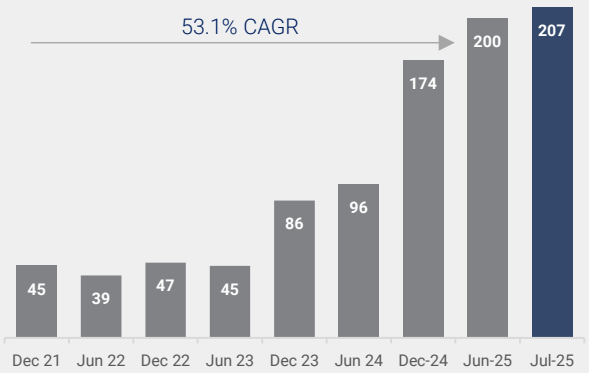


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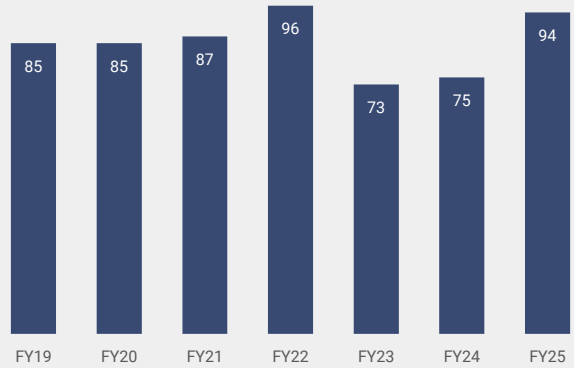
Review of Operations

ORDER BOOK GROWTH

Total Work on Hand ($M)



Repeat Business ($M)



Work on Hand

The trajectory of work on hand continued to expand during FY25 across all sectors. Large gains were made in the data centre space, which converted to a significant increase in data centre revenue, and that momentum is showing no signs of slowing down. The SKS Technologies brand is now a fixture in the data centre landscape in Australia, with contract wins that are substantial in both nature and value.

The pipeline of opportunities remains buoyant for all of SKS Technologies' market sectors, despite the softer, post Covid economy and the residual economic uncertainty resulting from it.

Repeat Business

For many years, SKS Technologies has earned a significant level of its revenue each year through the high quality delivery and continuing relationships necessary to secure additional work.

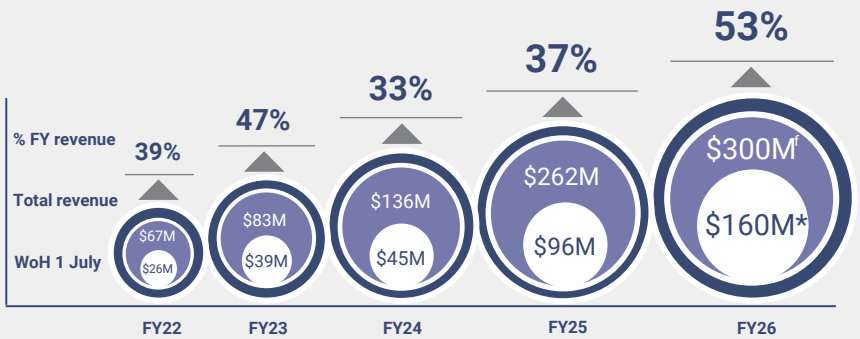
In FY23, the lower level of repeat business reflected the first full year of earnings after significant restructuring and sale of several non core businesses. The removal of the repeat work from these businesses contributed to the lower level that year. In FY23, the business also devoted substantial resources to strategic initiatives. In FY24 and FY25, data centre revenue comprised 22.8% and 53.8%, respectively. The material increase to 94% in repeat business in FY25 reflects the increasing trend of winning additional work directly with data centre customers post construction.

Work on Hand as a Portion of Revenue

With the FY26 revenue forecast of approximately $300 million, and approximately $160 million of work on hand translating to sales revenue during that year, the business begins the year with just over half its forecast annual sales revenue secured in the order book.

Each year, the business has commenced with a large increase in work on hand, resulting in a corresponding increase in sales revenue for the year, despite the continual quantum of growth.

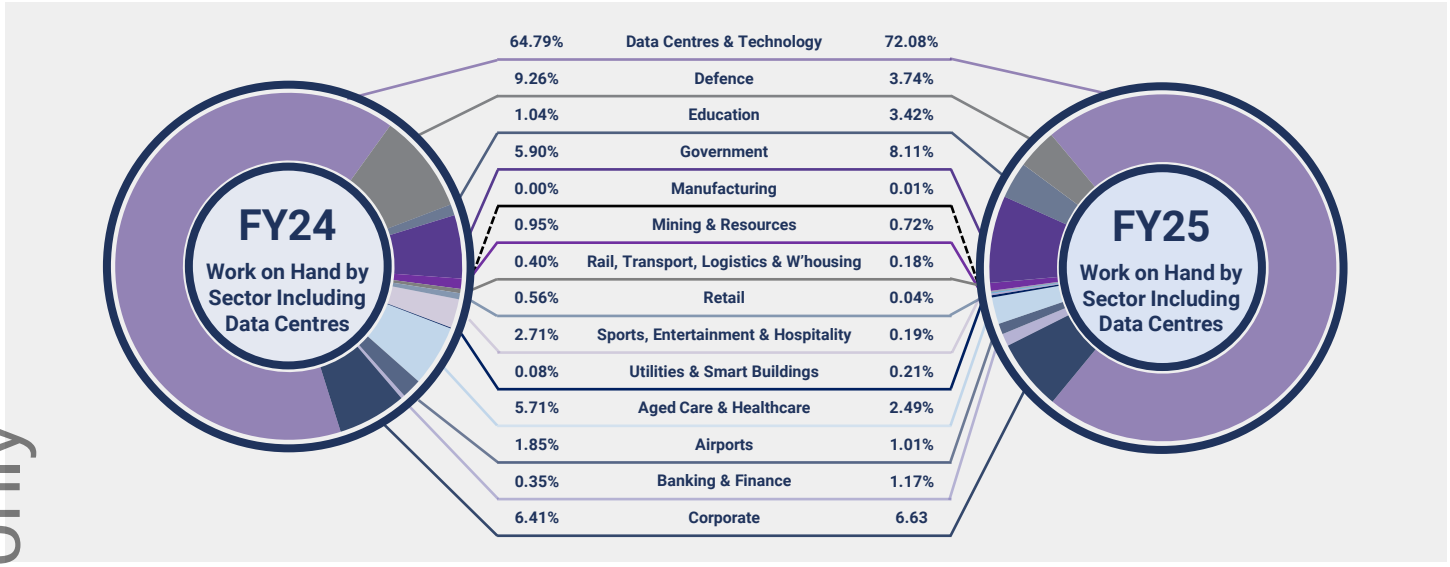
Work on Hand as a Portion of Revenue



* $40M of the total $200 million of work on hand will translate to revenue in FY27

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WORK ON HAND BY SECTOR



Work on Hand by Sector Including Data Centres

The drive to secure data centre work, and the business's success in winning work, executing to exacting standards and securing additional contracts with end users post construction, has resulted in an upsurge of data centre work on hand.

In FY25 these projects were completed at an increasing rate, converting to sales revenue and reaching 53.4% of total sales revenue.

During FY25, SKS Technologies also began to secure additional work once construction was completed. These new contracts were secured with large global IT end user customers, and are testimony to the quality of project execution during the construction phase.

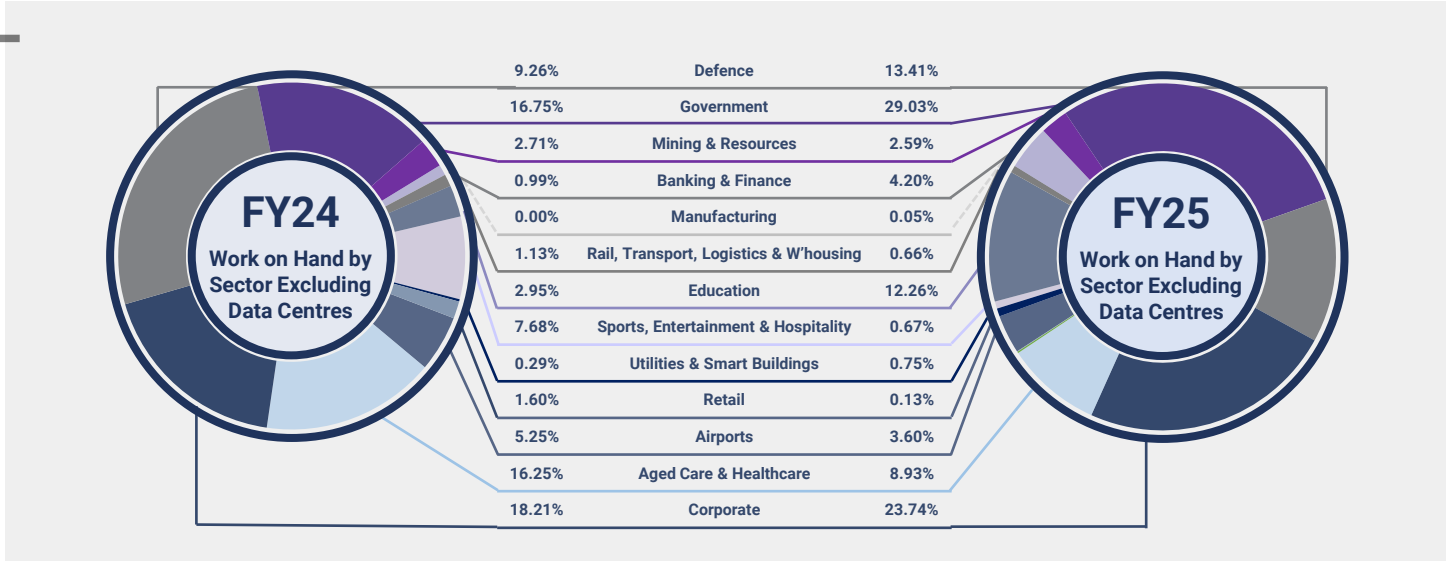
Work on Hand by Sector Excluding Data Centres

The quantity of traditional work on hand, as shown below without the effect of the data centre projects, has largely remained stable with the usual increases and decreases across the full spectrum of industry, apart from Government work.

Notably, government contracts have increased by 61.6% from $10.05 million in FY24 to $16.24 million in FY25.

Defence, corporate, education, government, and aged care and healthcare remain the cornerstones of the traditional business, representing 87.4% of work on hand at FY25 and 83.4% at FY24.

The same five sectors comprise 79.6% of the pipeline as at August 2025 compared with 83.4% as at August 2024



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PROJECT OVERVIEW

Data Centre Work

In a short time, SKS Technologies has built a reputation for project execution and reliability in data centre construction in Australia, securing a flow of work from most of the major global companies developing data centre infrastructure.

At the beginning of FY25, a $90+ million contract for an international hyperscale data centre operator in Melbourne's western region was secured. Works revolved around expanding the facility from 100MW to 185MW, making it one of the largest data facilities in Australia. Two months later, a contract for additional works valued at $20 million was awarded.

In September last year, a $22 million data centre contract for a second facility, Building B, at a date centre where SKS Technologies had completed the electrical and communications works at Building A in FY24, was secured. The project involved the fitout of three data halls totalling 12MW. In May this year, a further contract for $100 million to build Building C was secured.

The quantum of these major contracts totals $232 million of data centre work secured during the year, contributing to the high level of repeat business, which sits at 94% for FY25.

In Darwin, Northern Territory, a contract was secured for electrical installation and integration for a 3,000 square metre, 8MW data facility with 1,000-1,500 racks designed to provide 100% uptime. The project, D1 Darwin, is a collaboration between major data centre operator, NextDC and the Northern Territory Government. The prospects for securing further data centre work in the Northern Territory are favourable given the proximity to Asia Pacific, efforts to bolster connectivity and the NT State Government's digital strategy to position Darwin as the gateway to Asia.

With $358.5 million of work in open tender, the data centre space will continue to drive the rapid growth of the business with more measured growth in the traditional projects. Furthermore, with the swift and ever changing evolution of digital technology, new advancements will drive upgrades in the data centre sector, ensuring its constant flow of work continues to expand.

Traditional Work

SKS Technologies offers diversified, packaged solutions in electrical technologies, digital infrastructure, audiovisual and communications with a strong presence in the Defence, Healthcare and Aged Care, Education, Government and Corporate sectors.

In Victoria, works continued during the year on the Australia Post Support Centre in Melbourne where SKS Technologies is responsible for the installation of extensive audio visual and electrical solutions on multiple floors, including sophisticated technology in large capacity 'town hall' spaces.

In South Australia, the Lyndoch Barossa Park Project in the Barossa Valley, a multi-purpose sports venue designed to host AFL Gather Round football matches, involved electrical and communications works, including four 35 metre light towers. The venue opened in March 2025 and hosted its first AFL football matches during Gather Round in April.

A range of projects were delivered by SKS Technologies and SKS Indigenous Technologies for the Australian Defence Force in different states. At Mount Bundey in the Northern Territory, Project Phoenix was designed to enhance high frequency communications capability and systems to support ADF operations in a remote area.

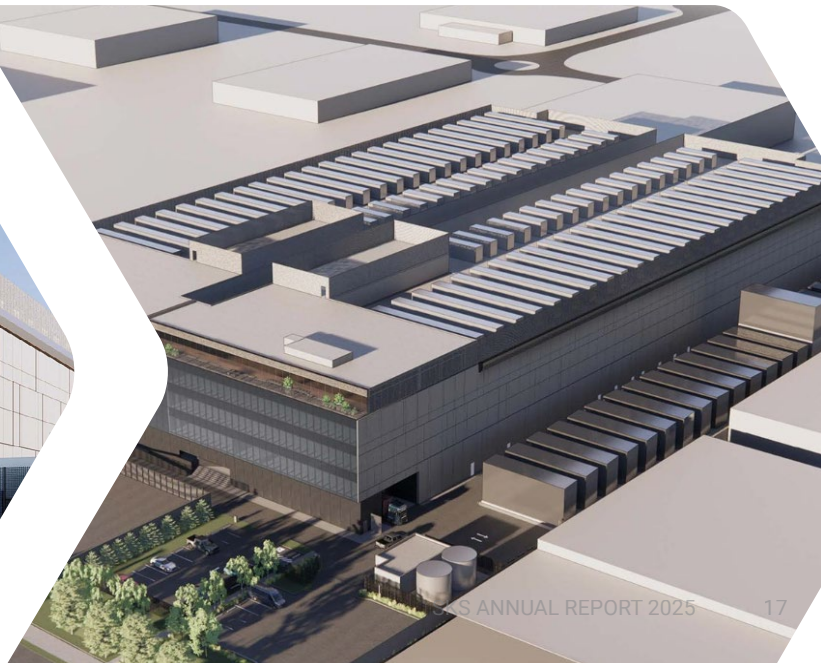
In Geelong, Victoria, SKS Technologies and SKS Indigenous Technologies delivered the audio visual works for the 1,000-seat theatre and 3,700 square metres of flexible event space that form part of the Nyaal Banyul Geelong Convention and Event Centre.

Some notable operational successes for the year include the increase in work for end user customers, the growth in New South Wales work, increased demand for audio visual solutions, another stellar performance from the South Australian branch and the establishment of a site in Derrimut, Victoria, to enable greater access to the major data centre projects and customers.

The year was also one of process and system consolidation as the business entered the next phase of its life in terms of project size and complexity.



Electrical installation for hyperscale data centre facility in Melbourne, VIC.



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SKS Indigenous Technologies

Sales Revenue
▲ 48.7% on pcp
$27.0m

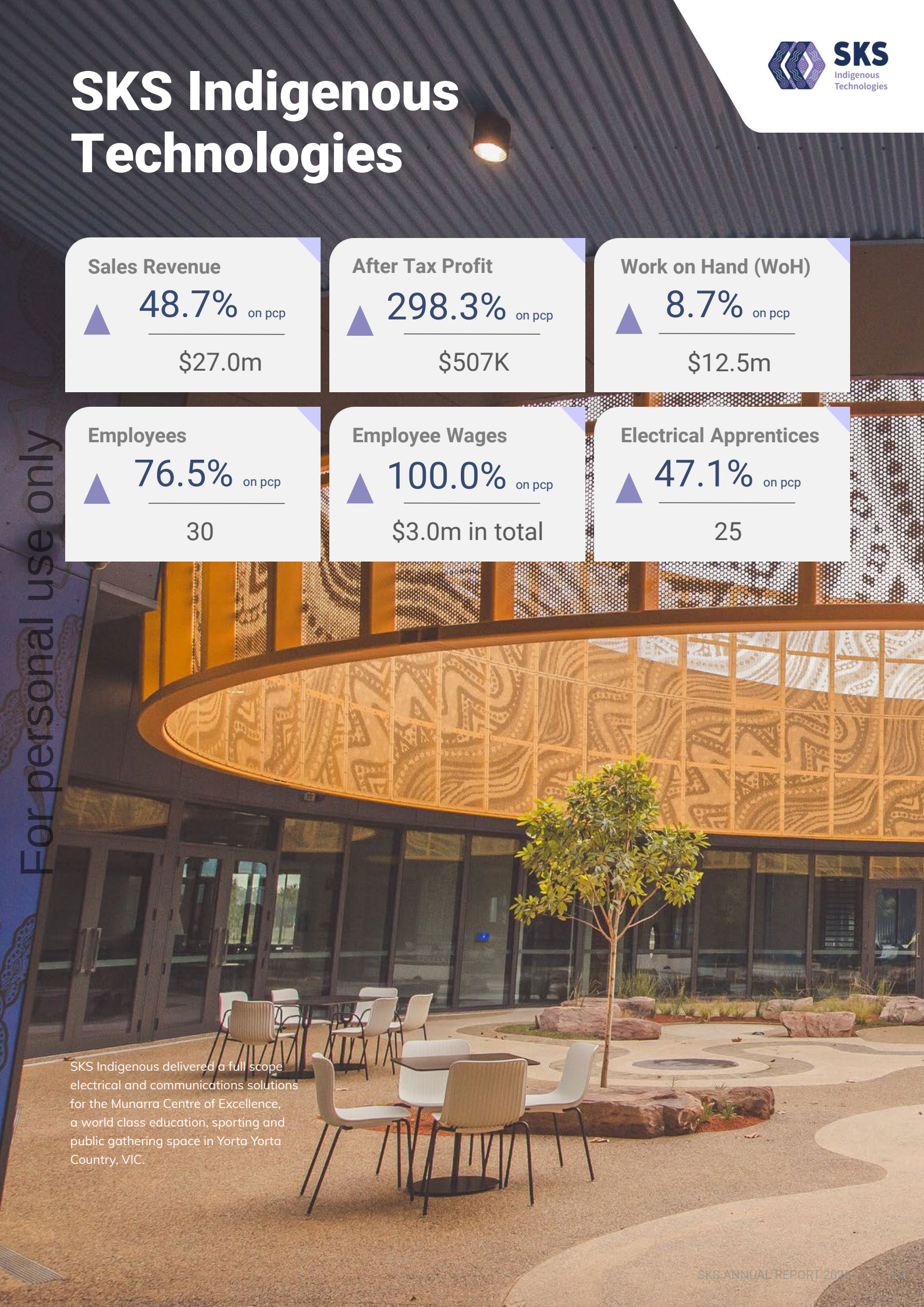
After Tax Profit
▲ 298.3% on pcp
$507K

Work on Hand (WoH)
▲ 8.7% on pcp
$12.5m

Employees
▲ 76.5% on pcp
30

Employee Wages
▲ 100.0% on pcp
$3.0m in total

Electrical Apprentices
▲ 47.1% on pcp
25



SKS Indigenous delivered a full scope electrical and communications solutions for the Munarra Centre of Excellence, a world class education, sporting and public gathering space in Yorta Yorta Country, VIC.

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SKS Indigenous Technologies provides a comprehensive suite of electrical compliance services for North East Link, ensuring safety and regulatory adherence across all designated assets in Victoria.

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FY25 PERFORMANCE

"SKS Indigenous Technologies represents the perfect synergy between a commercial rationale to expand the scope of the wider business with the opportunity to provide employment and training to Indigenous people to help build their communities."



CHRIS JOHNSON
Managing Director
SKS Indigenous Technologies

The rationale to establish SKS Indigenous Technologies continues to prove its merit with annual increases in tendering activity, work on hand, revenue, Indigenous employment and wider benefits to Indigenous communities.

During the year, we achieved $27 million in revenue, which represents a 48.7% increase on revenue of $18.2 million in FY24. After tax profit increased by 298.3% from $127,282 to $506,956.

We now employ 30 people, which is three quarters more than in FY24, including 25 electrical apprentices and five fully qualified electricians. In the last financial year, we delivered approximately 100 projects spread across the six mainland states for an expanding portfolio of blue chip and government clients.

In Victoria, we undertook a range of projects, including:

- audio visual works for the 1,000-seat theatre and 3,700 square metres of flexible event space in the Nyaal Banyul Geelong Convention and Event Centre
- full scope electrical and communications works for the Munarra Centre of Regional Excellence in Shepparton
- a package of electrical and communications works for legal firm, Hall and Wilcox's new premises in Melbourne's CBD, and
- electrical and communications works for all levels of Charter Hall's 111 Bourke street building.

The business also continued to deliver a comprehensive suite of electrical compliance services for North East Link under an ongoing services arrangement.

In South Australia, we delivered

- a full scope electrical and communications solution for National Australia Bank in Adelaide
- an electrical and audio visual fitout for Westpac's five floor premises at the new Festival Tower skyscraper in Adelaide's central business district, and
- a range of projects for Australian Defence Force assets covering electrical, communications and audio visual works.

In the Northern Territory, the team in the new Darwin office has gained momentum in winning and delivering local projects, including for the Australian Defence Force. A range of smaller projects were also completed in all mainland states.

Nationally, we performed a range of electrical works at Westfield shopping centres in Victoria, New South Wales, Queensland, South Australia and Western Australia.



SKS Indigenous Technologies delivered a full scope electrical and communications solution for National Australia Bank in Adelaide, SA.

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Further work has also been undertaken in preparation for joining government panels to increase access to procurement opportunities and streamline tendering processes for government customers.

Overall, the future for the business is exciting as we build our work on hand and revenue in buoyant market sectors, while contributing directly to the advancement of Indigenous people with employment, training and personal development opportunities, as well as indirectly through those people who help to support Indigenous communities.

Currently, there are no known competitors to SKS Indigenous Technologies. While there are similar state based businesses, there is no national business that operates in the space. We have a clear head start, and we intend to capitalised on it with a vigorous growth plan to build off the back of our strong brand and growing reputation for reliable service delivery and execution in project execution.

CHRIS JOHNSON
Managing Director
SKS Indigenous Technologies



Participants in the 2025 Chris Johnson Cup.

Philanthropy

SKS Indigenous is proud to support charitable initiatives that foster community wellbeing.

AFL Cape York House is a not for profit that aims to provide educational, employment and training opportunities for young Indigenous men and women from some of Far North Queensland's most remote communities in a culturally appropriate, safe and secure residential environment to ensure every boarding student has the opportunity to transition successfully into what they want to pursue.

Koorie Academy Basketball is a not for profit organisation based in Naarm. Their aim is to provide opportunities and fun experiences, through sport, for mob by running basketball clinics and events throughout the year that brings the community together from all across Victoria. The Academy offers participants an opportunity to gain learning skills to support them in following pathways to higher education and meaningful employment.

Chris Johnson Cup

Each year the SKS team embark on a journey to celebrate and support the Chris Johnson Cup in Cape York.

Organised in conjunction with AFL Cape York, the event is integral in identifying emerging talent for national and state indigenous programs, while also providing a platform for skill development and personal growth. Known for his passion for mentorship, Chris Johnson, a 3 time premiership player for the Brisbane Lions runs football clinics alongside the tournament. The event is now AFL Cape York's longest running participation and talent program.

The event brings together football players from Cairns to Thursday Island and SKS Indigenous is proud to host and support every moment. This event is more than just football, it's about celebrating indigenous excellence, building pathways and creating spaces where young people feel seen and supported.

A Visual Legacy

In 2024, to celebrate a decade of innovation and growth of SKS, and the new partnership with SKS Indigenous Technologies, the Group commissioned artist, Bayley Mifsud (Merindah Gunya) to craft a unique piece of art that embodies both businesses and seamlessly integrates our people, locations and services into a unified whole.

PATHS OF UNITY

The artwork tells the story of connection and unity through a central meeting place, symbolising SKS Technologies, with a smaller, interconnected circle representing SKS Indigenous Technologies. People are depicted collaborating and sharing knowledge, embodying teamwork and mutual respect. Journey lines illustrate the past, present and future paths towards reconciliation, connecting individuals and communities. On the right side, three meeting places represent Audio Visual, Electrical and Communications sectors, symbolising the diverse contributions to the group. Various sized and colourful people symbols reflecting the diversity within the community, while animals scattered throughout the piece honour the deep connections to Country across Australia.

BY BAYLEY MIFSUD (MERINDAH GUNYA)



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People, Recognition and Culture

Over the years, SKS Technologies has built an enduring culture of innovation, accountability, and collaboration, with a strong focus on delivering reliable, future ready technology solutions. A cornerstone of its mode of operation is relationships across the value chain, resulting in an ease in attracting and retaining the best people in the industry, empowering them to grow and contribute to long term success.

The number of SKS Technologies projects and attributes nominated as finalists for a National Electrical and Communications Association excellence award this year is a testament to this ethos, and are as follows:

- Deloitte Festival Tower project in Adelaide, SA for elevating the way people work, connect and collaborate through smart design;
- Lyndoch Recreation Park Redevelopment in the Barossa Valley, SA for excellence in project delivery;
- Australia Post Support Centre Melbourne, VIC for excellence in a large scale audio visual project;
- Chris Johnson and SKS Indigenous Technologies in recognition of a business with demonstrated success in building a diverse and inclusive organisation.
- SKS Technologies for Work Health and Safety, recognising innovation in arc flash suits and first aid responsiveness.

Another milestone achievement is the new bespoke induction program to integrate new employees seamlessly. The program exceeds traditional onboarding, combining role specific training with modules that build self awareness, empathy, and collaboration skills. Employees can navigate complex projects, strengthen client relationships, and contribute positively to team dynamics. Interactive workshops, mentoring, and scenario based learning provide practical tools for managing stress, resolving conflict, and communicating effectively.

ignite

SKS'S REWARDS AND RECOGNITION PROGRAM

One of the business's greatest strengths is the esteem in which people at all levels hold for their fellow workers. Building on this attribute is the newly introduced SKS Ignite, which offers recognition and rewards, discounts and perks, wellbeing support and a centralised means of communication across the company.

Managers can use the platform to highlight achievements and celebrate milestones, while employees can receive and give peer-to-peer recognition through eCards, which in turn helps foster a culture of appreciation and motivation.

A popular feature of the platform is access to exclusive discounts at hundreds of retailers, including supermarkets, fashion brands, travel services, and entertainment providers. This can lead to significant savings on everyday purchases and big ticket items alike.

Wellbeing support is also available with resources such as fitness videos, mental health support, and financial wellbeing tools. These are designed to help employees maintain a healthy work life balance and feel supported both in and out of the workplace

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Celebrating 10 years of
service with SKS Technologies.

Sustainability Report



Indigenous advancement through commercial and productive partnerships, responsible supply chains, decarbonisation, and a safe and inclusive workplace are the cornerstones of the business's sustainability platform.

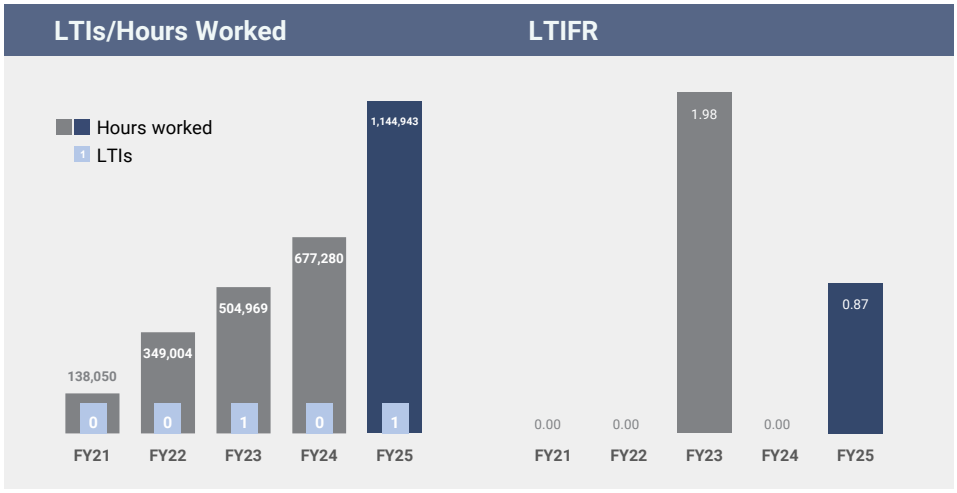
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SAFETY

In more than a decade of operations in major projects across the complete spectrum of industry sectors, SKS Technologies has never had a serious injury. A track record such as this is not possible without a persistent and targeted concentration throughout the business on keeping any person associated with its operations in any way, safe from harm. It is the result of comprehensive safety protocols, including regular training sessions, safety audits, and risk assessments to ensure all employees and contractors are well prepared to handle potential hazards.

During FY25, the business also invested in advanced safety technology, such as real time monitoring systems and automated alerts, to proactively identify and mitigate risks.

SKS Technologies enhanced its incident investigation and reporting processes, ensuring swift corrective actions were implemented to prevent recurrence.



Employee safety training was expanded to include new modules on hazard identification, emergency response, and ergonomics, further strengthening a team wide safety understanding and culture. From advanced training programs and upgraded personal protective equipment to significant enhancements in plant and equipment, every measure has been carefully developed to anticipate risks and prevent incidents before they occur.

Safety is integrated into core business practices to protect employees and contractors and enhance superior and reliable project delivery. Hazards are addressed at the source to reduce the potential for common safety risks such as lacerations, musculoskeletal strain, and noise exposure.

The relationship based culture of the business also drives a team spirit where people are aware of the wellbeing of their team mates and vigilant in looking after each other.

During the year, the business aligned its safety performance metrics with the international standards of ISO 45001.

ENVIRONMENTAL COMMITMENT

All eight SKS Technologies operating sites are aligned in practising and promoting company wide measures for efficiency in water and energy use, and a range of other measures to reduce the impact of the human footprint on the environment.

In FY25, the business's carbon footprint was reduced by 15% through innovative energy efficiency measures and increased renewable energy usage. Waste management measures also resulted in a 20% reduction in landfill waste by recycling and reusing materials, while water conservation efforts led to a 10% decrease in consumption from FY24. Additionally, the company expanded its eco-friendly product portfolio, incorporating more sustainable materials to minimize its impact. All environmental efforts are aligned with the global standards of the ISO 14001 certification.

Sustainability Reporting Requirements

In preparation for the new Australian Sustainability Reporting Standards, against which SKS Technologies will be required to report in FY27, the business has commenced an assessment of the necessary systems and processes required to capture, collate and analyse various aspects of environmental and other data.

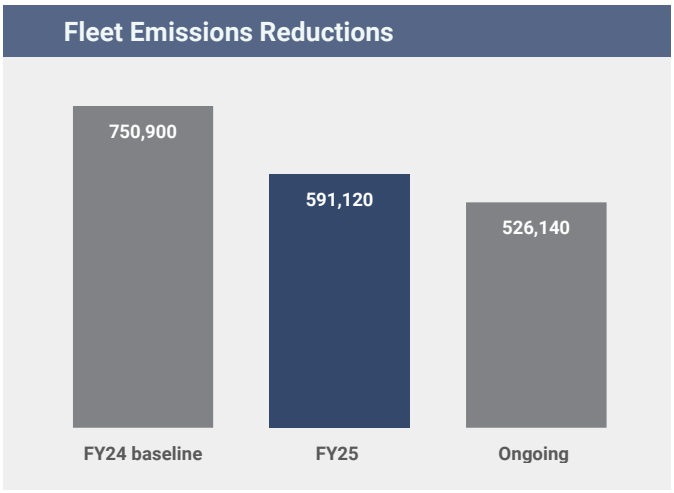
From 1 July 2026, the company will be required to understand and mitigate as much as possible the impact of the full spectrum of its operations on the environment.

Fleet Emissions Reductions

To support the business's environmental performance, a vehicle refresh program was undertaken during the year, which comprised the replacement of all vehicles older than four years. The new fleet is now more economical and will deliver a 224,760 ton or 29.9% reduction in annual CO2 emissions from the FY24 baseline of 750,900 tons.

As the new fleet was introduced progressively over the year, the reduction in CO2 emissions over the FY25 period was 159,780 tons, representing a 21.3% decrease.

The new fleet vehicles are also equipped with the most advanced driving safety features to provide safe travel for all employees. The fleet now comprises 100 vehicles, including Hyundai Staria Vans and Mitsubishi Triton Utes.



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Directors' Report

The directors present their report together with the financial report of the consolidated entity consisting of SKS Technologies Group Limited and the entities it controlled (the Group), for the financial year ended 30 June 2025 and auditor's report thereon.



Terence Grigg, Antoinette Truda, Peter Jinks, Matthew Jinks, Gary Beaton, Greg Jinks

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DIRECTORS

The names of each of the directors of the Company in office during or since the end of the financial year together with their qualifications, experience and special responsibilities are shown below.

Peter Jinks

Executive Chairman

Peter Jinks is Executive Chairman of SKS Technologies, overseeing operational performance and corporate governance. With more than 50 years of experience in technical services, he has played a foundational role in shaping the Company's capabilities in electrical, data, and communications infrastructure.

Peter co-founded KLM Group in 1981, and led its transformation as trusted national provider of integrated technology solutions. His expertise in electrical, data, and communications systems, combined with a strong focus on operational execution, has been central to the Company's sustained growth and industry reputation.

Appointed as Non-Executive Director and Chairman in October 2012, Peter later served as Managing Director until February 2021. He continues to lead the Board as Executive Chairman. Peter has not held directorships in any other listed companies in the past three years.

Greg Jinks

Executive Director

Greg Jinks is Executive Director of SKS Technologies, leading strategic growth and business development initiatives. He co-founded KLM Group in 1981 and was instrumental in its expansion into one of Australia's leading electrical, data and communications businesses across Australia.

With more than 45 years of experience in these sectors, Greg has been instrumental in expanding the Company's footprint across new markets and sectors nationally, leveraging emerging technologies to drive innovation and long term value creation.

He was appointed as a Director of the Company in October 2012 and has not held directorships in any other listed companies in the past three years.

Terence Grigg

Non-Executive Director

Terence has 27 years' experience as an Executive Director of Ausfine Foods Pty Ltd, an importer and exporter of meat and dairy products.

Terence was previously a Director of Ansearch Limited, Richmond Football Club, Windermere Child and Family Services (not for profit), Position Partners Pty Ltd (Civil Construction & Infrastructure Services) and ESCA Australia Pty Ltd (Medical Research Stem Cells).

Terence was appointed as Director of the Company on 31 January 2017. Terence Grigg is also the Chairman and Non-Executive Director of The Love Group Global Ltd an ASX listed entity.

Antoinette Truda

Non-Executive Director

Antoinette has extensive experience as a Director and Executive across a range of sectors. She is currently Chief Commercial Officer at the Victorian Chamber of Commerce & Industry, responsible for driving the organic and acquisitive growth initiatives that underpin the organisation's sustainability. Antoinette is a Non-Executive Director of the Goulburn Murray Credit Union, where she is Chair of the Member Experience & Community Impact Committee and Deputy Chair of the Audit Committee.

Prior to joining the Chamber, Antoinette was Chief Executive Officer of a multi-office Victorian real estate network. She worked at NAB for 11 years, leading various business units in Consumer and Business Banking, and spent the early stages of her career in Strategy and Corporate Advisory roles. With a track record of delivering transformational business outcomes in executive and directorship capacities, Antoinette understands the ingredients required to drive sustainable business growth in challenging and evolving operating contexts.

Antoinette was appointed as director of the Company on 1 May 2024. Antoinette Truda has not been a director of any other listed companies during the past three years.

COMPANY SECRETARIES

Gary Beaton

Chief Financial Officer

Gary is a CPA who has over 35 years of experience as a construction and project accountant and has previously worked for six years with the SKS Technologies Group management team as Chief Financial Officer of their former business KLM Group. Gary previously worked at Clough Engineering group and most recently, Gary completed an 18-month contract with Spotless Group to affect the consolidation of the construction component of a suite of Downer EDI businesses and subsidiary acquisitions. Gary joined the group as the new Chief Financial Officer and was appointed as the Company Secretary on 13 December 2019.

Matthew Jinks

Chief Executive Officer

Matthew, an alumnus of Harvard Business School who holds a Master of Business Administration Finance Major, joined the SKS Technologies Group business in April of 2013 as the Chief Operating Officer with the responsibility of managing all aspects of the company's financial and operational activities. On 1 February 2021 Matthew was appointed as the Chief Executive Officer. Prior to joining the senior management team of SKS Technologies Group, Matthew held the position of Executive General Manager Finance and one of the Directors of KLM Group, then owned by Programmed Maintenance Ltd, managing all aspects of the business financials. Matthew began his journey as an apprentice electrician for KLM Group. Over a 16-year period he progressed through the business gaining extensive experience in all aspects of management and business operations within the electrical, communications and audio visual industry. Matthew was appointed as the Company Secretary on 15 November 2019.

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Directors' Report (continued)

REVIEW OF OPERATIONS

OPERATING RESULTS

Full year sales have substantially increased, with the group's trading revenue for the current year reaching $261,655,008 up 92% from $136,309,155 in the previous corresponding period. The consolidated group recorded a significantly higher profit after tax of $14,029,009 for the year ended 30 June 2025, compared to $6,624,608 in the prior corresponding period. The profit attributable to the group's non controlling interest was $258,548 for the year ended 30 June 2025, up from $64,914 in the previous corresponding period.

OPERATIONAL OVERVIEW

Sales at SKS Technologies Pty Ltd have grown strongly over the year, driven primarily by major data centre project wins. SKS Indigenous Technologies Pty Ltd has continued to secure new work and trade profitably in its third year of operations, finishing the year with a stronger work in hand position. The company is gaining momentum in the new Darwin office, supported by defence projects, and has seen operational improvements in Western Australia, South Australia, and New South Wales. The work in hand, pipeline of opportunities, and size of contracts remain favourable across all regions where the company operates.

Employee expenses increased by 114.6% to $110,006,604 for the year ended 30 June 2025, compared to $51,260,508 in the previous corresponding period. Material costs increased by 70.5%, reaching $123,371,382, up from $72,344,987 in the prior year. The business mix has shifted, with a higher proportion of electrical work associated with data centre projects contributing to the change.

The Group received government incentives for a training scheme of $65,652 during the period which has associated staff training costs, compared to $44,954 in previous corresponding period.

The group has grown significantly over the last 4 years and will continue to focus the business on its portfolio of work which spans across a variety of sectors Australia wide including data centres, defence, mining, health, retail, government, education and commercial buildings. SKS Technologies' national footprint enables it to pursue work and execute projects for large national clients who need a local presence for their state based operations.

CAPITAL STRUCTURE

On 12 September 2024 the group issued 270,524 ordinary shares with a market value of $324,629 as employee bonus.

On 14 March 2025 the group issued 1,000,000 ordinary shares relating to the options which were granted and subsequently vested during the year.

Apart from these movements there is no change in the capital structure of the group during the year ended 30 June 2025.

WORKING CAPITAL AND CASHFLOWS FROM OPERATIONS

The Group generated positive operating cash flow of $34,988,029 for the year ended 30 June 2025, a significant increase from $8,419,101 in the prior corresponding period. The Group remains in an active expansion phase, achieving 92% revenue growth in continuing operations as previously noted, with further growth projected. Sufficient working capital is available to support current growth initiatives. The Group continues to benefit from strong backing from existing financiers.

The group has a clear focus to continue achieving a positive cashflow outcome from operations in the years ahead.

LEGAL MATTERS

The Group currently has no legal matters.

EMPLOYEES

The Group now employs 801 effective fulltime highly qualified employees across five states and two territories and is well placed to take advantage of growth opportunities as they arise. The group has continued to invest in expanding its presence in South Australia, New South Wales, Queensland and Northern Territory.

PRINCIPAL ACTIVITIES

The principal business activity of SKS Technologies Group Limited is design, supply and installation of audio visual, electrical and communication products and services.

OUTLOOK

The Group is actively capitalising on robust market demand in the data centre sector, driven by the exponential growth in data storage requirements and the rapid adoption of Artificial Intelligence technologies. This trend presents a substantial opportunity for the Group, particularly in electrical services and digital infrastructure solutions tailored to high performance environments.

In parallel, the Group continues to leverage its capabilities in managed audiovisual integration, electrical and communications services across multiple sectors, including defence, mining, health, retail, government, education and commercial buildings. The strategic focus on national expansion and operational scale is expected to deliver long term shareholder value, while enhancing portfolio diversity and increasing recurring revenue streams at higher margins.

The Group has maintained strong momentum across all service offerings, supported by rapid growth in data centre-related projects. A high volume of repeat business and a balanced pipeline of large and small scale opportunities reflect the Group's reputation for quality and reliability. With a growing national footprint, the Group is well positioned to enter new market segments and will continue to evaluate strategic acquisition opportunities in the current environment to accelerate growth.

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Directors' Report (continued)

Entering the new financial year, the Group holds a robust work in hand position, underpinned by heightened demand for electrical services in data centres. The pipeline remains healthy, and the Group is well placed to respond to emerging opportunities across its operating regions.

The Group's risk management framework remains proactive and comprehensive. Cybersecurity is a key focus area, managed through external IT partnerships, internal awareness programs, and appropriate insurance coverage. Supply chain disruptions have eased, and the Group consistently secures pricing at the time of project award, ensuring alignment with tendered estimates.

Despite ongoing labour shortages in certain sectors, the Group has not encountered recruitment challenges, particularly in Melbourne's data centre market and continues to be recognised as an employer of choice. Labour cost increases are incorporated into existing EBAs and EAs and are factored into project pricing through a rigorous estimating methodology that safeguards margins and ensures sustainable delivery.

Safety remains a cornerstone of the Group's operations, supported by mandatory toolbox meetings, continuous training, and open communication.

The Group is currently in a high growth phase and actively manages the associated working capital demands. With sufficient capital reserves and continued support from existing financiers, the Group is well equipped to sustain its expansion trajectory.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as addressed above, there were no other significant changes in the state of affairs of the Group and its controlled entities that occurred during the financial year.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation. However, the Directors believe that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the economic entity.

DIVIDENDS

Fully franked final dividend of $0.01 per share has been declared from 2024 profits on 19 August 2024 and paid on 14 October 2024 amounting to $1,120,699. (Unfranked dividends declared and paid in 2024: $219,470)

Fully franked interim dividend of $0.01 per share has been declared from 2025 profits on 24 February 2025 and paid on 04 April 2025 amounting to $1,130,699.

OPTIONS

At the date of this report, the unissued ordinary shares of SKS Technologies Group Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
21 November 2024	18 December 2028	$2.50	500,000
21 November 2024	18 December 2028	$2.75	500,000
21 November 2024	18 December 2028	$3.00	500,000

For details of options issued to key management personnel as remuneration, refer to the remuneration report.

EVENTS SUBSEQUENT TO BALANCE DATE

A fully franked dividend of $0.05 per share has been declared on 25 August 2025.

1,000,000 of the 1,500,000 outstanding share options approved at the 2024 AGM granted to Matthew Jinks have met their hurdle share price of $2.50 and $2.75 respectively during August 2025.

Revised banking facility with CBA includes Bank guarantee increased to $28 million and Equipment leasing increased to $4 million.

Apart from the matters described above, the directors are not aware of any matters or circumstances which have occurred subsequent to the balance date, that may significantly affect the operations or the state of affairs of the Consolidated entity in future financial periods.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the company or its controlled entities.

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Directors' Report (continued)

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each director are as follows:

Director	Directors' Meetings	
	Eligible to attend	Attended
Peter Jinks	14	13
Greg Jinks	14	14
Terence Grigg	14	14
Antoinette Truda	14	14

DIRECTORS' INTERESTS IN SHARES OR OPTIONS

Directors' relevant interests in shares of SKS Technologies Group Limited or options over shares in the company (or a related body corporate) are detailed below.

Directors' relevant interests in:	Ordinary shares of SKS Technologies Group Limited	Options over shares in SKS Technologies Group Limited
Peter Jinks	14,176,025	Nil
Greg Jinks	14,552,692	Nil
Terence Grigg	257,250	Nil
Antoinette Truda	Nil	Nil

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The constitution of the company provides that, to the extent permitted by the Corporations Act 2001 "every officer and employee of the company and its wholly-owned subsidiaries shall be indemnified out of the funds of the company (to the extent that the officer or employee is not otherwise indemnified) against all liabilities incurred as such an officer or employee, including all liabilities incurred as a result of appointment or nomination by the company or the subsidiary as a trustee or as an officer or employee of another corporation."

The directors of the company who held office during the past year, Peter Jinks, Greg Jinks, Terence Grigg and Antoinette Truda have the benefit of the above indemnity. The indemnity also applies to executive officers of the company who are concerned, or take part, in the management of the company.

The company has not paid any insurance premiums in respect of any past or present directors or auditors, other than as required by law.

AUDITOR INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report on page 66.

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Directors' Report (continued)

NON AUDIT SERVICES

Non-audit services are approved by resolution of the board of directors. Non audit services were provided by the related practice of the auditors of entities in the consolidated group during the year, namely DFK Benjamin King Money as detailed below. The directors are satisfied that the provision of the non audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

- all non audit services were subject to the corporate governance procedures adopted by SKS Technologies Group Limited and have been reviewed and approved by the board of directors to ensure they do not impact on the integrity and objectivity of the auditor; and
- the non audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards), as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for SKS Technologies Group Limited or any of its related entities, acting as an advocate for SKS Technologies Group Limited or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of SKS Technologies Group Limited or any of its related entities.

	2025 $	2024 $
Amounts paid and payable to the related practice of the Auditors for non audit services:		
Taxation services – DFK Benjamin King Money	**13,950**	24,750
	13,950	24,750

STAFF

The Board appreciates the support it continues to have from the Group's staff, and acknowledges, with thanks, the efforts they are all making to the growth of the group.

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in the Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

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Directors' Report (continued)

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for key management personnel of SKS Technologies Group Limited.

REMUNERATION PHILOSOPHY

Remuneration levels are set by the Group in accordance with industry standards to attract and retain suitable qualified and experienced Directors and senior executives.

The Group distinguishes the structure of non-executive Director's remuneration from that of executive Directors and senior executives. The company's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregated sum fixed by a general meeting of shareholders.

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance based bonus based on key performance indicators, and the second being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests.

The Company has chosen to use shares to incentivise and remunerate Mr Matthew Jinks because, in the opinion of the Board, this represents a way to align the interests of Mr Mathew Jinks with the interests of Shareholders generally. Bonus payments to Mr Matthew Jinks are payable half in cash and half in shares and is only payable if agreed performance hurdles are met. Not only does this incentivise Mr Matthew Jinks and reward him based on the Company achieving its targets but, over time, as a shareholder, Mr Matthew Jinks will have objectives which are aligned to those of the Shareholders.

In relation to the options, the Board is of the view that it is in the interests of the Company and all Shareholders for the share price to grow over time and granting options to Mr Matthew Jinks to acquire shares as each hurdle price is met means that he is incentivised and rewarded for his part in delivering these objectives to the Company and its Shareholders.

The Company has an executive service agreement with Mr Peter Jinks (Executive Chairman) and Mr Greg Jinks (Executive Director) whom are on three months' notice periods. The Company has employment agreements with each of its senior executives. The company has an agreement with Mr. Matthew Jinks who was appointed as Chief Executive Officer on 1 February 2021. Mr. Matthew Jinks's current base salary is $550,327 inclusive of superannuation which may be terminated by the company with one year's notice.

Mr Matthew Jinks was granted 2,500,000 share options on 21 November 2024 of which 1,000,000 were exercised and converted to shares on 14 March 2025. A corresponding bonus of $2,125,000 has been accrued and recognised as short term incentive expense in the current year.

Mr. Matthew Jinks's current total remuneration package for FY25 is as follows:

Base Remuneration Rate
$550,327 pa reviewed August 2024
Short Term Incentive Target, calculated as a percentage on the prevailing Base Remuneration Rate
60% calculated on prevailing base remuneration rate (50% Cash, 50% Performance Rights)
Long-Term Incentive Reward
Equity Incentive in the form of Share Options which have been granted and exercised.
Termination Payment (except for cause)
One year's remuneration equivalent plus pro rata STI award

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Directors' Report (continued)

Performance Rights will be granted depending upon the Company meeting or exceeding its performance hurdles during the specified performance period of 1 July 2024 to 30 June 2025. If the Performance Rights hurdles are met, and shares are issued, they will be issued under the Plan (with an accompanying limited recourse loan) and will be subject to the Plan Rules.

Mr Matthew Jinks will receive the Performance Rights and/or Options at no cost to him. Performance rights and options have been made available to Matthew Jinks by way of a limited recourse employee share loan at no effective cost under the employee share plan approved by shareholders at the 2021 and 2024 AGM. The loan will be settled by the payment of a bonus that has been currently accrued and will be paid at the time of the shares being sold or returned or at the departure from the company whichever happens first.

Mr Matthew Jinks and Gary Beaton are currently the only key management personnel eligible under the Plan rules to be granted Performance Rights or Options.

The exercise of Options under the Long – Term Incentive Reward approved by shareholders at the 2024 AGM and the granting of shares pursuant to an award of Performance Rights are issued under the rules of the Employee Equity Incentive Plan approved by shareholders at the 2020 AGM and amended at the 2024 AGM.

There are no written agreements with Terence Grigg, the non-executive director and there is a written agreement with Antoinette Truda, the non-executive director confirming the annual remuneration.

The remuneration for executive Directors is currently linked to the Group's financial performance but is not linked to the share price. None of the remuneration of the Directors listed below was considered at risk.

There are no retirement schemes in place for directors.

DETAILS OF KEY MANAGEMENT PERSONNEL

Key Management Personnel

Peter Jinks	Executive Chairman
Greg Jinks	Executive Director
Terence Grigg	Non-Executive Director
Antoinette Truda	Non-Executive Director
Matthew Jinks	Chief Executive Officer
Gary Beaton	Chief Financial Officer

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Directors' Report (continued)

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DIRECTORS' AND EXECUTIVES' EMOLUMENTS

	Short-term	Post-employment	Long-term	Share based payments	Total
2025	Salary, fees & Incentives $	Superannuation $	Long Service Leave $	Options and rights $	$
Peter Jinks	337,500	-	-	-	337,500
Greg Jinks	337,500	-	-	-	337,500
Terence Grigg	65,500	-	-	-	65,500
Antoinette Truda	55,500	-	-	-	55,500
Matthew Jinks	2,739,444	30,263	36,766	811,443	3,617,916
Gary Beaton	337,889	30,096	12,717	36,000	416,702
Total	3,873,333	60,359	49,483	847,443	4,830,618

	Short-term	Post-employment	Long-term	Share based payments	Total
2024	Salary, fees & Incentives $	Superannuation $	Long Service Leave $	Options and rights $	$
Peter Jinks	250,000	-	-	-	250,000
Greg Jinks	250,000	-	-	-	250,000
Terence Grigg	42,000	-	-	-	42,000
Antoinette Truda	7,000	-	-	-	7,000
Matthew Jinks	359,511	27,399	21,202	214,883	622,995
Gary Beaton	237,640	25,952	2,983	15,000	281,575
Total	1,146,151	53,351	24,185	229,883	1,453,570

DESCRIPTION OF OPTIONS/RIGHTS GRANTED AS REMUNERATION

Details of the options granted as remuneration to those key management personnel during financial year 2025.

Share based payments	Fair Value $	Number of options	Grant Date	Expiry Date
Key Management Personnel				
Matthew Jinks	1,165,373	2,500,000	21/11/2024	18/12/2028

Option values at grant date were determined using the average of Binomial Option Pricing Model and Monte Carlo Simulation method.

Details of the short term incentive in performance rights granted as remuneration to those key management personnel during financial year 2025. Incentives are paid following an annual performance assessment against safety, strategic business objectives, people, and financial targets set by the Board at the beginning of the financial year.

Share based payments	Grant Date	Incentive amount	Number of shares	Market value at the grant date
Key Management Personnel				
Matthew Jinks	12/09/2024	$ 126,000	93,326	$ 111,991
Gary Beaton	12/09/2024	$ 36,000	26,665	$ 31,998

Directors' Report (continued)

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CONSEQUENCES OF GROUP'S PERFORMANCE ON SHAREHOLDER WEALTH

The following table summarises group performance and key performance indicators:

	2025	2024	2023	2022	2021
Sales revenue	**$261,655,008**	$136,309,155	$83,268,128	$67,288,383	$36,299,131
% increase in revenue	**92.0%**	63.7%	23.7%	85.4%	0.3%
Profit before tax	**$20,785,700**	$6,498,791	$527,105	$2,002,577	$1,626,463
% increase/ (decrease) in profit/(loss) before tax	**220%**	1,133%	(74%)	23%	133%
Change in share price (%)	**90%**	567%	-	(35%)	389%
Dividend paid to shareholders	**$2,251,398**	$219,470	$273,455	-	-
Return of capital	**-**	-	-	-	$13,083
Total remuneration of KMP	**$4,830,618**	$1,453,570	$1,127,295	$1,353,127	$934,670
Total performance-based remuneration of KMP	**$2,972,443**	$229,883	$1,558	$240,634	-

KEY MANAGEMENT PERSONNEL'S EQUITY HOLDINGS

(a) Number of options held by key management personnel

2025	**Balance 1 July 2024**	**Granted as remuneration**	**Exercised**	**Expired**	**Balance 30 June 2025**	**Vested during the Year**	**Vested and exercisable**
Key Management Personnel							
Peter Jinks	-	-	-	-	-	-	-
Greg Jinks	-	-	-	-	-	-	-
Terence Grigg	-	-	-	-	-	-	-
Antoinette Truda	-	-	-	-	-	-	-
Matthew Jinks	-	2,500,000	1,000,000	-	1,500,000	1,000,000	-
Gary Beaton	-	-	-	-	-	-	-
Total	**-**	**2,500,000**	**1,000,000**	**-**	**1,500,000**	**1,000,000**	**-**

(b) Number of shares held by key management personnel

2025	**Balance 1 July 2024**	**Received as remuneration**	**Share disposals**	**On exercise of options**	**Balance 30 June 2025**	**Balance Held Directly**	**Balance Held Indirectly**
Key Management Personnel							
Peter Jinks	17,176,025	-	(3,000,000)	-	14,176,025	1,948,751	12,227,274
Greg Jinks	17,552,692	-	(3,000,000)	-	14,552,692	-	14,552,692
Terence Grigg	257,250	-	-	-	257,250	-	257,250
Antoinette Truda	-	-	-	-	-	-	-
Matthew Jinks	6,760,573	93,326	-	1,000,000	7,853,899	-	7,853,899
Gary Beaton	429,611	26,665	-	-	456,276	456,276	-
Total	**42,176,151**	**119,991**	**(6,000,000)**	**1,000,000**	**37,296,142**	**2,405,027**	**34,891,115**

Directors' Report (continued)

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TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The following is a summary of transactions with key management personnel and other related parties entered into throughout the financial year:

- The principal place of business, 700 Spencer Street West Melbourne was purchased by 700 Spencer Street Pty Ltd owned by the executive directors namely Peter Jinks and Greg Jinks and the Chief Executive Officer, Matthew Jinks together with four other senior managers of the group. 700 Spencer Street Pty Ltd invoiced the group for $355,104 (2024: $350,000) for the lease rental of which 50% is applicable to the Key Management Personnel. The transaction was on an arm's length basis on normal commercial terms and conditions.
- Lawson Lodge Country Estate (Macedon), a conference centre owned by Greg Jinks invoiced the company Nil (2024: $13,520). The transaction was on an arm's length basis on normal commercial terms and conditions.
- Lawson Lodge Country Estate (Macedon) has provided storage facilities for the company and have invoiced the company Nil (2024: $39,850) for the upgrade made to the storing facility during the year. The transaction was on an arm's length basis on normal commercial terms and conditions.
- Greg Jinks purchased two fully depreciated motor vehicles for $ 11,000 during the year.
- Greg Jinks invoiced the company for director fees of $337,500 (2024: $250,000) via his entity Jinks Consulting Group.
- Peter Jinks invoiced the company for director fees of $337,500 (2024: $250,000) via his entity Bundarah Pty Ltd.
- Terence Grigg invoiced the company for director fees of $65,500 (2024: $42,000)
- Antoinette Truda invoiced the company for director fees of $55,500 (2024: 7,000) via her entity Spired Pty Ltd.
- The following amounts are owed to key management personnel as at 30 June 2025:

- Peter Jinks – Nil (2024: Nil)
- Greg Jinks - Nil (2024: $2,126)
- Terence Grigg - Nil (2024: Nil)
- Antoinette Truda – Nil (2024: $7,000)
- Matthew Jinks – $2,251,000 (2024: Nil)
- Gary Beaton – $36,000 (2024: Nil)

- Information regarding share-based payment transactions with Mr. Matthew Jinks and Mr. Gary Beaton are included elsewhere in the remuneration report.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of SKS Technologies Group Limited is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement (CGS) in accordance with the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on the Company's website.

Accordingly, a copy of the Group's CGS is available on the SKS Technologies Group website at https://sks.com.au/investors

VOTING AND COMMENTS MADE AT THE COMPANY'S 2024 ANNUAL GENERAL MEETING (AGM)

The company received 97.08% of 'for' votes in relation to its remuneration report for the year ended 30 June 2024. The resolution to adopt the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2024 was carried as an ordinary resolution. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Signed on 25 August 2025 in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.



Peter Jinks
Executive Chairman
25 August 2025

Consolidated Statement of Profit and Loss and Other Comprehensive Income

for the year ended 30 June 2025

	Notes	2025 $	2024 $
CONTINUING OPERATIONS			
Revenue and other income			
Sales revenue	4	**261,655,008**	136,309,155
Other income	5	**1,573,265**	208,429
Total revenue and other income		**263,228,273**	136,517,584
EXPENSES			
Raw material, consumables and logistics		**(123,371,382)**	(72,344,987)
Employee benefit expenses	6	**(110,006,604)**	(51,260,508)
Occupancy expenses		**(180,427)**	(135,894)
Administration expenses		**(5,398,954)**	(3,763,322)
Depreciation and amortisation	6	**(2,837,317)**	(1,925,733)
Finance charges	6	**(647,889)**	(588,349)
Total expenses		**(242,442,573)**	(130,018,793)
Profit before income tax		**20,785,700**	6,498,791
Income tax (expense)/benefit	7(a)	**(6,756,691)**	125,817
Profit for the year		**14,029,009**	6,624,608
Other Comprehensive Income		**-**	-
Total comprehensive income for the year		**14,029,009**	6,624,608
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		**13,770,461**	6,559,694
Non - controlling interest		**258,548**	64,914
		14,029,009	6,624,608
Earnings per share: (cents per share)			
Basic	24	**12.49**	6.04
Diluted	24	**12.49**	6.04

The above statement should be read in conjunction with the accompanying notes

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Consolidated Statement of Financial Position as at 30 June 2025

	Notes	2025 $	2024 $
CURRENT ASSETS			
Cash and cash equivalents	8	**32,476,963**	3,366,688
Trade and other receivables	9	**61,903,863**	42,307,995
Inventories	10	**43,432**	142,120
Other current assets	11	**345,123**	302,454
Total current assets		**94,769,381**	46,119,257
NON CURRENT ASSETS			
Other non current assets	11	**51**	51
Plant and equipment	12	**5,551,432**	4,028,074
Right of use assets	13(a)	**5,928,183**	5,916,316
Intangible assets	14	**1,998,511**	1,883,717
Deferred tax asset	7(c)	**2,117,645**	1,797,331
Total non current assets		**15,595,822**	13,625,489
Total assets		**110,365,203**	59,744,746
CURRENT LIABILITIES			
Trade and other payables	15(a)	**68,432,867**	36,823,742
Income tax payable	7(b)	**4,540,887**	6,514
Provisions- employee benefits	16(a)	**4,337,363**	3,115,313
Provisions- other	17	**45,000**	15,000
Lease liabilities	13(b)	**1,393,389**	1,039,323
Total current liabilities		**78,749,506**	40,999,892
NON CURRENT LIABILITIES			
Provisions	16(b)	**74,503**	43,775
Lease liabilities	13(b)	**6,996,984**	6,555,449
Total non current liabilities		**7,071,487**	6,599,224
Total liabilities		**85,820,993**	47,599,116
Net assets		**24,544,210**	12,145,630
EQUITY			
Contributed equity	18	**23,076,656**	22,615,664
Share option reserve	19	**159,977**	-
Accumulated profits /(losses)	20	**1,104,742**	(10,414,321)
Total equity attributable to equity holders of the group		**24,341,375**	12,201,343
Non controlling interest		**202,835**	(55,713)
Total equity		**24,544,210**	12,145,630

The above statement should be read in conjunction with the accompanying notes

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Consolidated Statement of Changes in Equity for the year ended 30 June 2025

	Contributed Equity $	Share Option Reserve $	Accumulated profits/(losses) $	Non- controlling interest $	Total $
As at 1 July 2024	**22,615,664**	**-**	**(10,414,321)**	**(55,713)**	**12,145,630**
Profit for the year	**-**	**-**	**13,770,461**	**258,548**	**14,029,009**
Transactions with owners in their capacity as owners					
Share based payment transactions	**-**	**685,443**	**-**	**-**	**685,443**
Shares issued- exercise of options	**525,466**	**(525,466)**	**-**	**-**	**-**
Shares issued- value adjustment	**(40,607)**	**-**	**-**	**-**	**(40,607)**
Cost of issue of share options	**(23,867)**	**-**	**-**	**-**	**(23,867)**
Dividend paid	**-**	**-**	**(2,251,398)**	**-**	**(2,251,398)**
As at 30 June 2025	**23,076,656**	**159,977**	**1,104,742**	**202,835**	**24,544,210**

	Contributed Equity $	Share Option Reserve $	Accumulated profits/(losses) $	Non- controlling interest $	Total $
As at 1 July 2023	22,359,070	2,467	(16,754,545)	(120,627)	5,486,365
Profit for the year	-	-	6,559,694	64,914	6,624,608
Transactions with owners in their capacity as owners					
Share based payment transactions	-	188,883	-	-	188,883
Shares issued- exercise of options	187,325	(187,325)	-	-	-
Lapsed share options	4,025	(4,025)	-	-	-
Shares issued- employees performance rights	65,000	-	-	-	65,000
Shares issued- value adjustment	8,973	-	-	-	8,973
Cost of issue of share options	(8,729)	-	-	-	(8,729)
Dividend paid	-	-	(219,470)	-	(219,470)
As at 30 June 2024	22,615,664	-	(10,414,321)	(55,713)	12,145,630

The above statement should be read in conjunction with the accompanying notes

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Consolidated Statement of Cash Flows for the year ended 30 June 2025

	Notes	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**302,446,062**	132,856,495
Receipts from government incentives		**65,652**	41,075
Payments to suppliers and employees		**(265,070,486)**	(123,888,767)
Interest received		**691,509**	16,664
Interest paid on lease liability		**(611,528)**	(509,486)
Other Interest paid		**(35,967)**	(96,880)
Income tax paid		**(2,497,213)**	-
Net cash provided by operating activities	21(a)	**34,988,029**	8,419,101
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		**(2,412,668)**	(2,179,656)
Proceeds from disposal of plant and equipment		**126,470**	19,564
Payment for intangibles		**(140,477)**	(4,499)
Net proceeds from bank guarantees		**19,543**	7,230
Net cash used in investing activities		**(2,407,132)**	(2,157,361)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for issue of shares / options		**(28,867)**	(3,729)
Payment of lease liability		**(1,190,357)**	(919,187)
Net repayment of borrowings		**-**	(1,761,250)
Dividends paid		**(2,251,398)**	(219,470)
Net cash used in financing activities		**(3,470,622)**	(2,903,636)
Net increase in cash and cash equivalents		**29,110,275**	3,358,103
Cash and cash equivalents at the beginning of the year		**3,366,688**	8,584
Cash and cash equivalents at the end of the year	21(b)	**32,476,963**	3,366,688

The above statement should be read in conjunction with the accompanying notes

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Notes to the Financial Statements for the year ended 30 June 2025

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NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

The following is material accounting policy information adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

This financial report is a general-purpose financial report that has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report covers SKS Technologies Group Limited and controlled entities as a group. SKS Technologies Group Limited is a company limited by shares, incorporated and domiciled in Australia. The address of SKS Technologies Group Limited's registered office and principal place of business is 700 Spencer Street, West Melbourne. SKS Technologies Group Limited is a for profit entity for the purpose of preparing the financial report.

The financial report of SKS Technologies Group Limited for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the directors on 25 August 2025.

Compliance with IFRS

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

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Fair value measurement

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Significant accounting estimates

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the consolidated financial statements.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

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

(c) Intangible Assets

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in the case of a step acquisition); over (b) the net fair value of the identifiable assets acquired, and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Separately acquired Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

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NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangibles assets acquired in a business combination

Intangibles acquired in a business combination are initially recognised at fair value (which, for accounting purposes, is treated as the cost of the intangible asset), and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost, less accumulated amortisation and any accumulated impairment losses.

IT software development costs

Costs incurred in developing IT software are initially recognised as an asset and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, IT software development costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

(d) Financial Instruments

Classification of financial assets

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

a. the group's business model for managing the financial assets; and

b. the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held for trading, contingent consideration payable by the group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the group are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the group's transactions with its customers and are normally settled within 30-45 days.

Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

a. debt instruments measured at amortised cost;

b. debt instruments classified at fair value through other comprehensive income; and

c. receivables from contracts with customers and contract assets.

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12 month expected credit losses. '12 month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The group considers a financial asset to have a low credit risk when the counterparty is assessed by the group to have a strong financial position and no history of past due amounts from previous transactions with the group.

The group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 90 days past due.

The group determines expected credit losses based on individual debtor level expectations relative to credit terms, adjusted for factors that are specific to the debtor as well as relevant current and future expected economic conditions.

Notes to the Financial Statements for the year ended 30 June 2025

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NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (continued)

When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

a. significant financial difficulty of the issuer or the borrower;

b. breach of contract;

c. the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or

d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the group. Recoveries, if any, are recognised in profit or loss.

(e) Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold improvements are depreciated over the estimated useful lives of the improvements. Depreciation is calculated on a straight-line basis or diminishing value over the estimated useful life of the asset as follows:

Property, Plant and equipment: over 2 to 14 years

Motor Vehicles: over 3 to 6 years

Computer Software: over 3 years

Leasehold Improvements: over 3 to 10 years

(f) Leases

At the commencement date of a lease (other than leases of 12 months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Notes to the Financial Statements for the year ended 30 June 2025

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NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(g) Revenue

Revenue from the sale of goods is recognised when the customer receives the goods, ownership of the goods has passed and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Ownership is considered to have passed to the buyer at the time of delivery of the goods to the customer.

Revenue from the provision of services is recognised as performance obligations are satisfied over time, via transfer of services to customers, which is measured based on stage of completion.

Certain customers may be invoiced in advance of provision of services and this amount is recognised as a liability until the group provides, and the customer consumes, the benefits of the services.

(h) Income tax

Tax consolidation

SKS Technologies Group Limited (parent entity) and its wholly owned subsidiaries have implemented the tax consolidation legislation and have formed a tax consolidated group from 30 November 2009. SKS Indigenous Technologies Pty Ltd has exited from the tax consolidation group effective 01 July 2022. The parent entity and subsidiaries in the tax consolidated group have entered into a tax funding agreement such that each entity in the tax consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiaries recognise current or deferred tax amounts arising in respect of their own transactions, events and balances;
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

(i) Equity Settled Compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model, Binomial Option Pricing model and Monte Carlo Simulation method which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non vesting conditions but ignores the effect of any service and non market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

(j) Adoption of new and revised accounting standards

The Group has adopted all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2025. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

The Group has adopted the amendments to AASB 101 Presentation of Financial Statements which require only the disclosure of material accounting policy information.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased properties and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in note 6.

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NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 14 for further information.

Income Tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Where management considers tax losses are probable of being recovered from future taxable profits, they are recognised as deferred tax assets.

Share Based Payments

Equity settled share awards are recognised as an expense based on their fair value at date of grant. The fair value of equity settled share options is estimated through the use of option valuation models, which require inputs such as the risk free interest rate, expected dividends, expected volatility and the expected option life, and is expensed over the vesting period.

The models utilised, such as the binomial option pricing model, are intended to value options traded in active markets. The share options issued by the Group, however, have a number of features that make them incomparable to such traded options. Using different input estimates or models could produce different option values, which would result in the recognition of a higher or lower expense.

NOTE 3: FINANCIAL RISK MANAGEMENT

(a) Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Financial risk management objectives and policies

The Group's principal financial instruments comprise bank loans, finance leases and cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is the policy of the consolidated entity to regularly review foreign currency exposures. The degree to which the foreign exchange risk is managed will vary depending on circumstances that prevail at the time the risk is known or anticipated. There are no foreign currency contracts outstanding at the reporting date (2024: Nil).

The group hold no financial assets or liabilities at fair value.

Cash Flow Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The group monitors its exposure to interest rate risk as part of its capital and cash management.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligation as they fall due. The entity's approach in managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The consolidated entity does not have any significant concentrations of credit risk (on a net basis after recognising impairment losses) that arise from exposures to a single debtor or to a group of debtors having a similar characteristic such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for credit losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Sensitivity Analysis

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date. This sensitivity analysis concluded there would be no material impact on fair values of financial assets and liabilities.

Notes to the Financial Statements for the year ended 30 June 2025

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(c) Financial Risk Management

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$	**$**	$
CONSOLIDATED GROUP								
Financial liabilities due for payment								
Trade and other payables	**(18,260,205)**	(21,238,488)	**-**	**-**	**-**	**-**	**(18,260,205)**	(21,238,488)
Borrowings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Lease liability	**(1,393,389)**	(1,039,323)	**(4,384,082)**	(3,535,048)	**(2,612,902)**	(3,020,400)	**(8,390,373)**	(7,594,771)
Total contractual outflows	**(19,653,594)**	(22,277,811)	**(4,384,082)**	(3,535,048)	**(2,612,902)**	(3,020,400)	**(26,650,578)**	(28,833,259)
Financial assets — cash flows realisable								
Cash and cash equivalents	**32,476,964**	3,366,688	**-**	**-**	**-**	**-**	**32,476,964**	3,366,688
Trade and other receivables	**56,431,888**	38,375,455	**-**	**-**	**-**	**-**	**56,431,888**	38,375,455
Other assets	**17,541**	36,296	**-**	**-**	**51**	51	**17,592**	36,347
Total anticipated inflows	**88,926,393**	41,778,439	**-**	**-**	**51**	51	**88,926,444**	41,778,490

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Notes to the Financial Statements for the year ended 30 June 2025

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(d) Interest Rate Risk

The following table details the consolidated entity's exposure to interest rate risk as at 30 June 2025:

	Weighted average nterest rate	Variable interest rate	Fixed Interest Rate Maturity			Non-interest bearing	Total
			Less than 1 year	2 to 5 years	Greater than 5 years		
	%	$	$	$	$	$	$
As at 30 June 2025							
Financial Assets							
Cash and cash equivalents	**3.60**	**30,740,263**	-	-	-	**1,736,701**	**32,476,964**
Current receivables	-	-	-	-	-	**56,431,888**	**56,431,888**
Other assets	**3.96**	**17,541**	-	-	-	**51**	**17,592**
		30,757,804	-	-	-	**58,168,640**	**88,926,444**
Financial Liabilities							
Trade and other payables	-	-	-	-	-	**18,260,205**	**18,260,205**
Lease Liability	**7.34**	-	**1,393,389**	**4,384,082**	**2,612,902**	-	**8,390,373**
		-	**1,393,389**	**4,384,082**	**2,612,902**	**18,260,205**	**26,650,578**
As at 30 June 2024							
Financial Assets							
Cash and cash equivalents	4.15	2,392,500	-	-	-	974,188	3,366,688
Current receivables	-	-	-	-	-	38,375,455	38,375,455
Other assets	3.51	36,296	-	-	-	51	36,347
		2,428,796	-	-	-	39,349,694	41,778,490
Financial Liabilities							
Trade and other payables	-	-	-	-	-	21,238,488	21,238,488
Lease Liability	6.57	-	1,039,323	3,535,048	3,020,400	-	7,594,771
		-	1,039,323	3,535,048	3,020,400	21,238,488	28,833,259

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Notes to the Financial Statements for the year ended 30 June 2025

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025 $	2024 $
Revenue from services recognised over time	**261,655,008**	136,309,155
Total sales revenue	**261,655,008**	136,309,155

Contract liabilities as recorded in Note 15, is recorded as a current liability and the underlying performance obligations are expected to be completed within 12 months

NOTE 5: OTHER INCOME

	2025 $	2024 $
Interest revenue	**797,879**	25,289
Government incentives- (Training subsidies)	**65,652**	44,954
Other income	**709,734**	138,186
Total other income from continuing operations	**1,573,265**	208,429

NOTE 6: PROFIT FROM CONTINUING OPERATIONS

	2025 $	2024 $
Profit from continuing operations before income tax has been determined after the following specific expenses:		
Depreciation and amortisation of non-current assets:		
Property, plant and equipment	**1,780,040**	1,192,876
Motor vehicles	**696,901**	489,871
Computer software	**25,683**	21,795
Leasehold improvements	**334,693**	221,191
	2,837,317	1,925,733
Finance Costs:		
Interest – debtor finance, bank overdraft & other	**36,362**	78,863
Interest - lease liability	**611,527**	509,486
	647,889	588,349
Employee Benefit Expenses:		
Wages	**85,643,956**	39,775,405
Superannuation	**8,177,475**	3,683,471
Other employee benefits	**16,185,173**	7,801,632
	110,006,604	51,260,508

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Notes to the Financial Statements for the year ended 30 June 2025

NOTE 7: INCOME TAX

	2025	2024
(a) The major components of tax income comprise:	**$**	**$**
Current income tax expense	**(7,077,005)**	(6,514)
Deferred tax income	**320,314**	132,331
Total income tax (expense)/benefit	**(6,756,691)**	125,817
Prima facie tax (benefit)/expense on profit before income tax is reconciled to the income tax (benefit)/expense as follows:		
Profit before income tax	**20,785,700**	6,498,791
Prima facie income tax payable / (benefit) on profit before		
Income tax at 30% (2024: 30%)	**6,235,710**	1,949,637
Add/(less): Permanent differences	**266,683**	104,763
Add/(less): Tax losses utilised- Tax consolidated group	-	(1,665,000)
Add/(Less): Tax Loss not previously booked	**(20,923)**	(1,151,184)
Add/(less): Tax losses not brought to account- SKS Indigenous Technologies Pty Ltd	-	(42,418)
Add/(less): Temporary differences	-	1,797,331
Add/(less): Temporary differences from prior periods not previously booked	**275,221**	(1,118,946)
Income tax expense/(benefit)	**6,756,691**	(125,817)
The applicable effective tax rate	**32.51%**	(1.94%)

(b) Income tax payable

Opening balance at 1 July	**6,514**	-
Provision for the year	**7,077,005**	6,514
Payments made during the year	**(2,542,632)**	-
Closing balance at 30 June	**4,540,887**	6,514

(c) Deferred Tax

Deferred tax assets	**Opening Balance**	**Charged to Income**	**Charged directly to Equity**	**Closing Balance**
Provisions	1,310,310	399,830	-	1,710,140
Property plant & equipment	167,036	(167,036)	-	-
Intangible assets	2,486	(2,486)	-	-
Lease liability	2,278,431	238,681	-	2,517,112
Blackhole expenditure	13,881	3,839	-	17,720
Capital losses	132,193	-	-	132,193
	3,904,337	**472,828**	-	**4,377,165**
Deferred tax liabilities				
Prepayment	-	(19,282)	-	(19,282)
Intangible assets	-	(33,574)	-	(33,574)
Right of use assets	(1,774,895)	(3,562)	-	(1,778,457)
Property plant & equipment	(332,111)	(96,096)	-	(428,207)
	(2,107,006)	**(152,514)**	-	**(2,259,520)**
Net deferred tax assets	**1,797,331**	**320,314**	-	**2,117,645**

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Notes to the Financial Statements for the year ended 30 June 2025

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NOTE 8: CASH AND CASH EQUIVALENTS

	2025 $	2024 $
Cash at bank	**32,476,963**	3,366,688
	32,476,963	3,366,688

NOTE 9: TRADE AND OTHER RECEIVABLES

	2025 $	2024 $
Current		
Trade debtors	**55,403,318**	37,067,758
Retention debtors	**1,030,917**	1,388,391
Allowance for credit losses	**(107,929)**	(132,365)
Contract assets	**5,471,974**	3,932,540
Other receivables	**105,583**	51,671
	61,903,863	42,307,995

Movement in the allowance for credit losses:

	2025 $	2024 $
Opening balance at 1 July	**(132,365)**	(125,942)
Charge for the year	**(7,814)**	(352,351)
Amounts written off	**32,250**	345,928
Closing balance at 30 June	**(107,929)**	(132,365)

Trade receivables ageing analysis as at 30 June is

	Gross 2025 $	Expected credit loss 2025 $	Gross 2024 $	Expected credit loss 2024 $
Not past due	**48,849,000**	-	30,151,280	-
Past due 31-60 days	**5,641,050**	-	5,652,936	-
Past due 61-90 days	**523,628**	-	590,897	-
Past due more than 90 days	**389,640**	**(107,929)**	672,645	(132,365)
	55,403,318	**(107,929)**	37,067,758	(132,365)

NOTE 10: INVENTORIES

	2025 $	2024 $
Current		
Project materials at the warehouse – at cost	**43,432**	142,120
	43,432	142,120

Notes to the Financial Statements for the year ended 30 June 2025

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NOTE 11: OTHER ASSETS

	2025 $	2024 $
Current		
Prepayments and other assets	**345,123**	302,454
	345,123	302,454

	2025 $	2024 $
Non-Current		
Loan to C.L.A.P. Aust Pty Ltd	**51**	51
	51	51

NOTE 12: PROPERTY, PLANT & EQUIPMENT

	2025 $	2024 $
Plant and equipment		
At cost	**2,717,870**	1,851,673
Accumulated depreciation	**(1,258,160)**	(795,553)
	1,459,710	1,056,120
Office furniture and equipment		
At cost	**1,379,216**	950,328
Accumulated depreciation	**(663,682)**	(377,277)
	715,534	573,051
Motor vehicles		
At cost	**2,659,124**	1,523,826
Accumulated depreciation	**(710,660)**	(598,466)
	1,948,464	925,360
Leasehold improvements		
At cost	**2,199,278**	1,938,204
Accumulated depreciation	**(771,554)**	(464,661)
	1,427,724	1,473,543
Total property, plant & equipment	**5,551,432**	4,028,074

Notes to the Financial Statements for the year ended 30 June 2025

NOTE 12: PROPERTY, PLANT & EQUIPMENT (continued)

(a) Movement in carrying amount of property, plant & equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant & Equipment $	Office Furniture, and Equipment $	Motor Vehicles $	Leasehold Improvements $	Total $
Year ended 30 June 2025					
Balance at the beginning of the year	**1,056,120**	**573,051**	**925,360**	**1,473,543**	**4,028,074**
Additions	**1,158,009**	**428,886**	**1,425,324**	**261,073**	**3,273,292**
Disposals	**-**	**-**	**(28,012)**	**-**	**(28,012)**
Depreciation expense	**(754,418)**	**(286,405)**	**(374,207)**	**(306,892)**	**(1,721,922)**
Balance at the end of the year	**1,459,711**	**715,532**	**1,948,465**	**1,427,724**	**5,551,432**
Year ended 30 June 2024					
Balance at the beginning of the year	522,403	340,296	231,700	732,320	1,826,719
Additions	943,157	410,080	848,534	934,539	3,136,310
Disposals	-	-	(2,144)	-	(2,144)
Depreciation expense	(409,440)	(177,325)	(152,730)	(193,316)	(932,811)
Balance at the end of the year	1,056,120	573,051	925,360	1,473,543	4,028,074

(b) The carrying value of motor vehicles includes leased motor vehicles of $1,299,845 as at 30 June 2025. (2024: $819,605)

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Notes to the Financial Statements for the year ended 30 June 2025

NOTE 13: LEASES

At the commencement date of a lease (other than leases of low value assets), the group recognises a right of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

(a) Right of use asset

Carrying amount of lease assets, by class of underlying asset:

	2025 $	2024 $
Buildings under lease arrangements		
At cost	**6,775,828**	5,740,774
Accumulated depreciation	**(1,296,170)**	(644,340)
	5,479,658	5,096,434
Motor Vehicles		
At cost	**1,223,874**	1,358,489
Accumulated depreciation	**(863,753)**	(669,523)
	360,121	688,966
Equipment		
At cost	**73,553**	73,554
Accumulated depreciation	**(26,963)**	(12,252)
	46,590	61,302
Leasehold Improvements		
At cost	**139,000**	139,000
Accumulated depreciation	**(97,186)**	(69,386)
	41,814	69,614
Total right of use assets	**5,928,183**	5,916,316

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NOTE 13: LEASES (continued)

Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:

	Buildings $	Motor Vehicles $	Equipment $	Leasehold Improvements $	Total $
Year ended 30 June 2025					
Balance at the beginning of the year	**5,096,434**	**688,966**	**61,302**	**69,614**	**5,916,316**
Additions	**1,107,730**	**-**	**-**	**-**	**1,107,730**
Terminated	**-**	**(6,151)**	**-**	**-**	**(6,151)**
Depreciation expense	**(724,506)**	**(322,695)**	**(14,711)**	**(27,800)**	**(1,089,712)**
Balance at the end of the year	**5,479,658**	**360,120**	**46,591**	**41,814**	**5,928,183**

	Buildings $	Motor Vehicles $	Equipment $	Leasehold Improvements $	Total $
Year ended 30 June 2024					
Balance at the beginning of the year	3,749,751	989,212	35,833	97,490	4,872,286
Additions	1,937,740	36,895	73,553	-	2,048,188
Terminated	-	-	(33,031)	-	(33,031)
Depreciation expense	(591,057)	(337,141)	(15,053)	(27,876)	(971,127)
Balance at the end of the year	5,096,434	688,966	61,302	69,614	5,916,316

(b) Right of use and other finance lease liabilities

	2025 $	2024 $
Current lease liabilities	**1,393,389**	1,039,323
Non-current lease liabilities	**6,996,984**	6,555,449
Total carrying amount of lease liabilities	**8,390,373**	7,594,772

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year $	1 – 5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Consolidated Financial Position $
2025					
Lease liabilities	**1,958,733**	**5,900,510**	**3,119,108**	**10,978,351**	**8,390,373**
2024					
Lease liabilities	1,555,445	5,133,936	3,760,965	10,450,346	7,594,772

(c) Right of use and other finance lease expenses and cashflows

	2025 $	2024 $
Interest expense on lease liabilities	**611,527**	509,486
Depreciation expense on lease assets	**1,526,554**	1,146,136
Cash outflow in relation to payment of lease liabilities	**1,190,357**	919,187

Notes to the Financial Statements for the year ended 30 June 2025

NOTE 14: INTANGIBLE ASSETS

	2025 $	2024 $
Goodwill at cost (a)	**1,867,660**	1,867,660
Computer software (b)	**130,851**	16,057
	1,998,511	1,883,717

(a) Reconciliation of carrying amount at the beginning and end of the financial year

	2025 $	2024 $
Goodwill		
Carrying value as at 1 July	**1,867,660**	1,867,660
Carrying value as at 30 June	**1,867,660**	1,867,660

(b) Reconciliation of carrying amounts at the beginning and end of the financial year

	2025 $	2024 $
Computer software		
Carrying value as at 1 July	**16,057**	33,353
Software costs capitalised	**140,477**	4,499
Amortisation	**(25,683)**	(21,795)
Carrying value as at 30 June	**130,851**	16,057

Recoverable amount testing for goodwill

For the purpose of impairment testing, goodwill is allocated to cash-generating units as below:

Description of the cash-generating unit (CGU)	Carrying amount of goodwill $	Recoverable amount of CGU $	Method of estimation
Communication & electrical	1,867,660	60,241,069	Value in use

Cash-generating unit where recoverable amount has been determined using value in use

CGU	Key assumptions on which cash flow forecasts are based	Description of management's approach to determining value assigned to key assumptions	Period over which cashflows have been projected	Growth rate used for cashflow projections %	Discount rate %
Communication & electrical	Future demand for services Growth rate	Based on historical growth patterns and current demand for services in the current climate.	5 years	2.5	22.8

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NOTE 14: INTANGIBLE ASSETS (continued)

Sensitivity of assumptions

If the pre tax discount rate applied to the cash flow projections had been 5% higher than management estimates, then the Group still would not have recognised an impairment loss.

Management do not believe there would be a reasonable possible change in any of the key assumptions that would have caused the carrying amount of the assets of the communication & electrical cash generating unit, including goodwill to exceed its recoverable amount.

Impairment assumptions

Goodwill is allocated to communication & electrical which is the cash generating unit (CGU) for the purpose of impairment testing. The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five year period.

NOTE 15: TRADE AND OTHER PAYABLES

	2025 $	2024 $
Current		
Trade payables (a)	**12,577,298**	19,200,071
Accrued expenses	**4,213,292**	1,102,223
Other payables	**6,074,110**	3,767,768
Contract liabilities	**45,568,167**	12,753,680
	68,432,867	36,823,742

(a) Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms

NOTE 16: PROVISIONS – EMPLOYEE BENEFITS

	2025 $	2024 $
Balance at 1 July	**3,159,088**	1,728,796
Provision for the year	**5,850,520**	3,277,264
Amounts used	**(4,597,742)**	(1,846,972)
Balance as at 30 June	**4,411,866**	3,159,088
(a) Employee benefits – Current	**4,337,363**	3,115,313
(b) Employee benefits – Non-Current	**74,503**	43,775
	4,411,866	3,159,088

Notes to the Financial Statements for the year ended 30 June 2025

NOTE 17: PROVISIONS – OTHER

	2025 $	2024 $
Balance at 1 July	**15,000**	15,000
Provision for the year	**30,000**	-
Balance as at 30 June	**45,000**	15,000

NOTE 18: SHARE CAPITAL

(a) Issued and paid-up capital

	2025 $	2024 $
Ordinary shares fully paid	**23,076,656**	22,615,664

(b) Movements in shares on issue

	Parent Equity 2025		Parent Equity 2024	
	No of Shares	$	No of Shares	$
Balance as at 1 July	**111,799,355**	**22,615,664**	109,382,153	22,359,070
Issue of shares related to exercise of options	**1,000,000**	**525,466**	2,000,000	187,325
Issue of shares related to performance rights	**270,524**	-	417,202	65,000
Shares issued- value adjustment	-	**(40,607)**	-	8,973
Lapsed share options	-	-	-	4,025
Cost of issue of shares/options	-	**(23,867)**	-	(8,729)
Balance as at 30 June	**113,069,879**	**23,076,656**	111,799,355	22,615,664

(c) Dividends

Fully franked final dividend of $0.01 per share has been declared from 2024 profits on 19 August 2024 and paid on 14 October 2024 amounting to $1,120,699. (Unfranked dividends declared and paid in 2024: $219,470)

Fully franked interim dividend of $0.01 per share has been declared from 2025 profits on 24 February 2025 and paid on 04 April 2025 amounting to $1,130,699.

Franking account

	2025 $	2024 $
The franking credits available for subsequent financial years at a tax rate of 30%	**5,927,675**	-

The above available balance is based on the dividend franking account at year-end adjusted for:

(a) Franking credits that will arise from the payment of the amount of the provision for income tax;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The impact on the franking credit of the dividends proposed after the end of the reporting period is to reduce it by $2,422,926.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

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NOTE 18: SHARE CAPITAL (continued)

(d) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

(e) Capital Management

When managing capital, management's objective is to ensure the consolidated entity continues to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

(f) Options

The Group has 1,500,000 options outstanding as at 30 June 2025. (Refer Note 29).

NOTE 19: SHARE OPTION RESERVE

	2025 $	2024 $
Balance at beginning of year	-	2,467
Share based payment transactions	**685,443**	188,883
Shares issued upon the exercise of options and rights	**(525,466)**	(187,325)
Lapsed share options	-	(4,025)
Balance at end of year	**159,977**	-

This reserve records the cumulative value of employee service received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to contributed equity.

NOTE 20: ACCUMULATED PROFITS/ (LOSSES)

	2025 $	2024 $
Balance at beginning of year	**(10,414,321)**	(16,754,545)
Net profit attributable to members of the parent entity	**13,770,461**	6,559,694
Dividend paid	**(2,251,398)**	(219,470)
Balance at end of year	**1,104,742**	(10,414,321)

NOTE 21: STATEMENT OF CASH FLOWS

(a) Reconciliation of cash flow from operations with profit after income tax.

	2025 $	2024 $
Net profit after income tax	**14,029,009**	6,624,608
Gain on sale of assets	**(99,566)**	(17,421)
Depreciation & amortisation expense	**2,837,317**	1,925,733
Interest reinvested in security deposits	**(787)**	(955)
Share based payment expenses	**685,443**	188,883
(Gain)/loss from value adjustment of share issue	**(40,607)**	8,973

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NOTE 21: STATEMENT OF CASH FLOWS (continued)

Change in net assets and liabilities

	2025 $	2024 $
(Increase)/decrease in assets:		
Trade and other receivables	**(19,595,868)**	(24,227,485)
Inventories	**98,688**	(92,784)
Other current assets	**(61,425)**	60,469
Deferred tax assets	**(320,314)**	(132,331)
Increase/(decrease) in liabilities:		
Trade and other payables	**31,638,988**	22,644,605
Income tax payable	**4,534,373**	6,514
Provisions	**1,282,778**	1,430,292
Net cash provided by operating activities	**34,988,029**	8,419,101

(b) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	2025 $	2024 $
Cash at bank	**32,476,963**	3,366,688
	32,476,963	3,366,688

(c) Financing Facilities:

Maximum available subject to (d) below		
Bank overdraft facility	**2,000,000**	2,500,000
Bank guarantee facility	**17,000,000**	10,000,000
Bank Lease facility	**2,000,000**	2,000,000
	21,000,000	14,500,000

(d) Facilities in use at the end of the financial year

	2025 $	2024 $
Bank overdraft facility (i)	-	-
Bank guarantee facility (i)	**11,687,302**	7,990,977
Bank Lease facility (i)	**1,644,787**	807,160
	13,332,089	8,798,137

i) The financing facilities as at 30 June 2025 represent the net position of the overdraft, bank guarantee and lease facilities provided by the Commonwealth Bank of Australia which is secured by a fixed and floating charge over SKS Technologies Group Limited, SKS Technologies Pty Ltd, SKS Technologies Construction Pty Ltd and SKS Energy Technologies Pty Ltd.

NOTE 22: OPERATING SEGMENT

The Group operates predominantly in Australia, in audio-visual, communication, IT and electrical markets which is regarded as a single segment, hence there is no information on operating segments provided in this report.

NOTE 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No contingent liabilities or assets noted for the reporting period ended 30 June 2025 other than the bank guarantee facility obtained from the Commonwealth Bank of Australia as disclosed in Note 21 (d).

Notes to the Financial Statements for the year ended 30 June 2025

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NOTE 24: EARNING PER SHARE

Reconciliation of earnings used in calculating earnings per share:

	2025 $	2024 $
Profit for the year	**14,029,009**	6,624,608
Profit used in the calculation of basic profit per share	**14,029,009**	6,624,608

	2025 No of Shares	2024 No of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	**112,314,404**	109,715,174
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**112,314,404**	109,715,174

NOTE 25: DIRECTOR'S AND EXECUTIVE'S COMPENSATION

(a) Details of Directors and Executives

Peter Jinks	Executive Chairman
Greg Jinks	Executive Director
Terence Grigg	Non-Executive Director
Antoinette Truda	Non-Executive Director
Matthew Jinks	Chief Executive Officer
Gary Beaton	Chief Financial Officer

(b) Remuneration by Category: Directors and Executives

	2025 $	2024 $
Short-term employee benefits	**3,873,333**	1,146,151
Long-term employee benefits	**49,483**	24,185
Share based payment- options and rights	**847,443**	229,883
Post-employment Employee benefits	**60,359**	53,351
Total	**4,830,618**	1,453,570

NOTE 26: RELATED PARTY DISCLOSURES

(a) The consolidated financial statements include the financial statements of SKS Technologies Group Limited and its controlled entities listed below:

Name of Company	Country of Incorporation	Percentage Owned 2025	Percentage Owned 2024
Parent Entity			
SKS Technologies Group Limited	Australia		
Controlled Entities			
SKS Technologies Pty Ltd	Australia	**100%**	100%
SKS Technologies Construction Pty Ltd	Australia	**100%**	100%
SKS Indigenous Technologies Pty Ltd	Australia	**49%**	49%
SKS Energy Technologies Pty Ltd	Australia	**100%**	100%

Notes to the Financial Statements for the year ended 30 June 2025

NOTE 26: RELATED PARTY DISCLOSURES (continued)

(b) Subsidiaries with material non-controlling interests

The amounts disclosed below are prior to any inter-company eliminations.

SKS Indigenous Technologies Pty Ltd - Subsidiary

	2025 $	2024 $
% ownership held by Non-Controlling Interest (NCI)	**51%**	51%
Profit allocated to NCI	**258,548**	64,914
Accumulated NCI of subsidiary	**202,835**	(55,713)
Summarised statement of financial position		
Current assets	**8,956,846**	5,162,154
Non-current assets	**-**	-
Current liabilities	**8,558,225**	5,270,996
Non-current liabilities	**908**	400
Net Assets	**397,713**	(109,242)
Summarised statement of profit or loss and other comprehensive income		
Revenue	**27,002,595**	18,153,560
Profit/(loss)	**506,956**	127,282
Total comprehensive income	**506,956**	127,282
Summarised statement of cash flows		
Cash flows from operating activities	**25,333,802**	15,846,592
Cash flows from investing activities	**-**	-
Cash flows used in financing activities	**(25,385,630)**	(15,766,400)
Net increase in cash and cash equivalents	**(51,828)**	80,192

(c) The following are the total amount of transactions that were entered into with related parties for the relevant financial year:

- The principal place of business, 700 Spencer Street West Melbourne was purchased by 700 Spencer Street Pty Ltd owned by the executive directors namely Peter Jinks and Greg Jinks and the Chief Executive Officer, Matthew Jinks together with four other senior managers of the group. 700 Spencer Street Pty Ltd invoiced the group for $355,104 (2024: $350,000) for the lease rental of which 50% is applicable to the Key Management Personnel. The transaction was on an arm's length basis on normal commercial terms and conditions.
- Revium, digital consultancy provider partly owned by Peter Jinks' son in law invoiced the company $162,674 (2024: $35,273). The transactions were on an arm's length basis on normal commercial terms and conditions.
- Lawson Lodge Country Estate (Macedon), a conference centre owned by Greg Jinks invoiced the company Nil (2024: $13,520). The transaction was on an arm's length basis on normal commercial terms and conditions.
- Lawson Lodge Country Estate (Macedon) has provided storage facilities for the company and have invoiced the company Nil (2024: $39,850) for the upgrade made to the storing facility during the year. The transaction was on an arm's length basis on normal commercial terms and conditions.
- Greg Jinks purchased two fully depreciated motor vehicles for $ 11,000 during the year.
- Greg Jinks invoiced the company for director fees of $337,500 (2024: $250,000) via his entity Jinks Consulting Group.

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Notes to the Financial Statements for the year ended 30 June 2025

NOTE 26: RELATED PARTY DISCLOSURES (continued)

- Peter Jinks invoiced the company for director fees of $337,500 (2024: $250,000) via his entity Bundarah Pty Ltd.
- Terence Grigg invoiced the company for director fees of $65,500 (2024: $42,000)
- Antoinette Truda invoiced the company for director fees of $55,500 (2024: 7,000) via her entity Spired Pty Ltd.
- The following amounts are owed to related party personnel as at 30 June 2025:

- Peter Jinks – Nil (2024: Nil)
- Greg Jinks - Nil (2024: $2,126)
- Terence Grigg - Nil (2024: Nil)
- Antoinette Truda – Nil (2024: $7,000)
- Matthew Jinks – $2,251,000 (2024: Nil)

Information regarding remuneration and share-based payment transactions with Mr. Matthew Jinks are included elsewhere in the remuneration report.

NOTE 27: REMUNERATION OF AUDITORS

Amounts received or due and receivable by auditors for:

DFK BKM Audit Services

	2025 $	2024 $
Audit or review of the financial report of the entity	**98,344**	86,826
Taxation services provided by related practice of auditor – DFK Benjamin King Money	**13,950**	24,750
	112,294	111,576

NOTE 28: PARENT ENTITY DISCLOSURE

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with the Australian Accounting Standards.

	2025 $	2024 $
(a) Summarised Statement of Financial Position		
Current assets	**10,542,181**	435,594
Non-current assets	**3,985,406**	3,665,093
Total assets	**14,527,587**	4,100,687
Current liabilities	**19,344,001**	160,281
Non-current liabilities	**-**	-
Total liabilities	**19,344,001**	160,281
Net (liabilities)/assets	**(4,816,414)**	3,940,406
Shareholders' equity		
i) Issued capital	**23,076,705**	22,615,714
ii) Share option reserve	**159,977**	-
iii) Accumulated profits/ (losses)	**(28,053,096)**	(18,675,308)
Total equity	**(4,816,414)**	3,940,406

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Notes to the Financial Statements for the year ended 30 June 2025

NOTE 28: PARENT ENTITY DISCLOSURE (continued)

(b) Summarised Statement of Comprehensive Income	2025 $	2024 $
Net (loss)/profit	**(7,126,391)**	80,774
Total comprehensive income	**(7,126,391)**	80,774

(c) Parent entity guarantees

Guarantees provided by parent entity in relation to the debts of the subsidiaries	**11,687,302**	7,990,977

NOTE 29: SHARE - BASED PAYMENTS

As at 30 June 2025 the Group has the following share-based payment schemes:

2025

Grant Date	Expiry Date	Exercise Price	Start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year
21 November 2024	18 December 2028	$2.00	-	500,000	500,000	-	-
21 November 2024	18 December 2028	$2.25	-	500,000	500,000	-	-
21 November 2024	18 December 2028	$2.50	-	500,000	-	-	500,000
21 November 2024	18 December 2028	$2.75	-	500,000	-	-	500,000
21 November 2024	18 December 2028	$3.00	-	500,000	-	-	500,000

2024

Grant Date	Expiry Date	Exercise Price	Start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year
25 November 2021	30 June 2024	$0.35	500,000	-	-	500,000	-
25 November 2021	30 June 2024	$0.45	500,000	-	-	500,000	-
25 November 2021	30 June 2024	$0.55	500,000	-	-	500,000	-
23 November 2023	29 February 2028	$0.35	-	500,000	500,000	-	-
23 November 2023	28 March 2028	$0.40	-	500,000	500,000	-	-
23 November 2023	03 April 2028	$0.45	-	500,000	500,000	-	-
23 November 2023	10 April 2028	$0.50	-	500,000	500,000	-	-

The weighted average fair value of the options granted in 2025 was $0.4661.

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future movements.

NOTE 30: SUBSEQUENT EVENTS

A fully franked dividend of $0.05 per share has been declared on 25 August 2025.

1,000,000 of the 1,500,000 outstanding share options approved at the 2024 AGM granted to Matthew Jinks have met their hurdle share price of $2.50 and $2.75 respectively during August 2025.

Revised banking facility with CBA includes Bank guarantee increased to $28 million and Equipment leasing increased to $4 million.

Other than the above, there were no matters or circumstances specific to SKS Technologies Group Limited that have arisen since 30 June 2025 that have significantly affected or may significantly affect:

- the Group's operation in future financial years or
- the results of those operations in future financial years or
- the Group's state of affairs in future financial years.

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Consolidated Entity Disclosure Statement as at 30 June 2025

Name of entity	Type of entity	Place formed or incorporated	Percentage of share capital held	Australian tax resident or foreign tax resident	Foreign tax jurisdiction
SKS Technologies Group Limited	Body corporate	Australia	n/a	Australian	n/a
SKS Technologies Pty Ltd	Body corporate	Australia	100%	Australian	n/a
SKS Technologies Construction Pty Ltd	Body corporate	Australia	100%	Australian	n/a
SKS Indigenous Technologies Pty Ltd	Body corporate	Australia	49%	Australian	n/a
SKS Energy Technologies Pty Ltd	Body corporate	Australia	100%	Australian	n/a

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

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Directors' Declaration

The directors declare that:

1. In the directors' opinion the financial statements and notes thereto, as set out on pages 37 to 64 are in accordance with the Corporations Act 2001, including:
   (a) complying with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements;
   (b) as stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards;
   (c) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2025 and of its performance for the year ended on that date; and
   (d) the consolidated entity disclosure statement is true and correct.
2. In the directors' opinion there are reasonable grounds to believe that SKS Technologies Group Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ended 30 June 2025.

This declaration is made in accordance with a resolution of the directors.



Peter Jinks
Executive Chairman

Melbourne
25 August 2025

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dfk bkm audit services
LEADING AUDITORS AND ADVISERS

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF SKS TECHNOLOGIES GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

DFK BKM Audit Services

Kevin P Adams
Director

Richmond, Victoria
25 August 2025

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LEADING AUDITORS AND ADVISERS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SKS TECHNOLOGIES GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SKS Technologies Group Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DFK INTERNATIONAL
A member firm of DFK International a worldwide association of independent accounting firms and business advisers
Liability Limited by a scheme approved under Professional Standards Legislation

Directors
Cheree F Woolcock
Tim M Kelleher
Kevin P Adams

Principal
Jamin Ong

CELEBRATING SIXTY YEARS 1960 - 2020

dfkbkm.com.au
+61 3 9804 0411
L4/689 Burke Road, Camberwell VIC 3124
PO Box 1163, Camberwell VIC 3124

BKM Audit Services Pty Ltd
ACN 116 958 948
ABN 77 116 958 948

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Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition Refer to Note 1(g) and Note 4	
The Group's revenue is primarily derived from the sale of products and provision of services in relation to audio-visual and lighting projects and data centres. Certain revenue is recognised based on the stage of completion of individual contracts, which is calculated based on the proportion of total costs incurred at the reporting date compared to management's estimation of total costs of the contract. The accurate recognition of this revenue is dependent on management estimates of the stage of completion of the contract. We consider revenue is a key audit matter because of its significance to profit/(loss), the high volume of revenue transactions associated with revenue and for certain contracts, and the judgement that is required by management in recognising revenue.	Our procedures included, among others: • Obtaining an understanding of the processes and controls relevant to revenue recognition. • For a sample of revenue transactions from provision of services and sale of products, testing to supporting documentation including sales invoices, and assessing whether revenue has been recognised in the correct period. • For a sample of revenue transactions for which revenue is recognised on a proportion of total costs incurred basis, testing to supporting documentation including supplier's tax invoices, and testing that the calculations of costs incurred and costs to complete including the calculations of the contract assets and contract liabilities were appropriate and adequately supported. • Assessing the adequacy of disclosure in the financial statements.
Impairment of Goodwill Refer to Note 14	
As at 30 June 2025 the Group's statement of financial position includes goodwill at cost amounting to $1,867,660, contained within one cash generating unit (CGU). The assessment of impairment of the Group's goodwill balances incorporated significant judgement in respect of factors such as cash flow forecasts, estimated growth rate and discount rate. A key audit matter for us was whether the Group's value in use model for impairment included appropriate consideration of these factors on their significant estimates and judgements.	Our procedures included, among others: • Assessing management's determination of the CGU based on our understanding of the nature of the Group's business. • Evaluating management's process regarding valuation of the Group's goodwill to determine any goodwill impairment. • Assessing the Group's assumptions and estimates used to determine the recoverable value of its goodwill, including those relating to cash flow forecasts, growth rate, capital expenditure and discount rate. • Checking the mathematical accuracy of the cash flow models and agreeing relevant data to the latest forecasts. • Performing sensitivity analysis on the key assumptions relating to the discount rate, gross profit margin and the cash flow forecasts. • Reviewing the recoverable amount of the CGU compared to the carrying value of the goodwill. Assessing the adequacy of disclosure in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the SKS Technologies 2025 Annual Report, 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 any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

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

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

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

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

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

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

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, related safeguards.

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.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of SKS Technologies Group Limited, for the year ended 30 June 2025, 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.

DFK BKM Audit Services

Kevin P Adams
Director

Richmond, Victoria
25 August 2025

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Shareholder Information

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Shareholder Analysis and Other Stock Exchange Requirements

Statement of Security Holders as at 16 September 2025

(a) Distribution of Shareholders by Sizes of Holdings

1 - 1,000	782
1,001 - 5,000	856
5,001 - 10,000	336
10,001 - 100,000	416
100,001 and over	102
Total	**2,492**

Holding less than a marketable parcel 56

Voting Rights - Each ordinary share carries one vote

(b) Twenty Largest Shareholders

Shareholder	Number	Percentage
MR GREGORY DARRELL JINKS & MRS DOROTHY MARY JINKS <GD SUPER FUND A/C>	12,552,692	10.94
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,148,336	7.98
BUNDARAH PTY LTD	8,147,274	7.10
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,869,068	5.99
MASSV PTY LTD <M & A PROPERTY A/C>	6,453,432	5.63
CITICORP NOMINEES PTY LIMITED	4,409,915	3.84
MANISA NOMINEES PTY LIMITED <LASKY SUPER FUND A/C>	4,260,000	3.71
MR CLARK ELLIOTT PERKINS	3,000,000	2.62
JASON ALLEN PTY LTD	2,754,438	2.40
RUBINO GROUP PTY LTD <RUBINO GROUP A/C>	2,200,000	1.92
VOLANTOR SUPERANNUATION FUND PTY LTD <VOLANTOR SUPER FUND A/C>	2,080,000	1.81
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,061,954	1.80
MR PETER RAYMOND JINKS & MRS VELDA JINKS	1,948,751	1.70
JIREB PTY LTD <M & A SUPER FUND A/C>	1,814,467	1.58
KINSHIP NOMINEES PTY LTD <MALEK SUPER FUND A/C>	1,700,000	1.48
SCHOLZ INDUSTRIES PTY LTD	1,632,309	1.42
JOMAHO INVESTMENTS PTY LTD	1,593,029	1.39
ALLEN AND POWER ELECTRICAL COMMUNICATIONS PTY LTD	1,102,862	0.96
MISS KRISTIE JINKS & MR MATTHEW JINKS & MISS LISA JINKS <PV SUPER FUND A/C>	1,086,000	0.95
BENTMONT PTY LTD	800,000	0.70
Total for top 20	**75,614,527**	**65.92**
Total Other Investor	**39,091,410**	**34.08**
Grand Total	**114,705,937**	**100.00**

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(c) Substantial shareholders as per substantial shareholder advices held at 16 September 2025

Name	Number of Ordinary Shares to which Person Entitled
Mr Greg Jinks	12,552,692
Mr Peter Jinks	12,176,025
Mr Matthew Jinks	9,353,899
Total	**34,082,616**

(d) Securities subject to voluntary escrow Nil

(e) Unquoted equity securities Nil

(f) Restricted securities

- 270,524 FY2024 incentive employee shares locked until 12 September 2026
- 54,521 FY2025 incentive employee shares locked until 10 September 2027
- 81,537 FY2025 incentive employee shares locked until 16 September 2027

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Corporate Directory

Registered Office

700 Spencer Street
West Melbourne VIC 3003
ABN: 24 004 554 929

Share Registry

Computershare Investor Services
452 Johnston Street
Abbotsford VIC 3067
Enquiries: 1300 850 505
T: (03) 9415 4000

Company Secretaries

Gary Beaton
Matthew Jinks

Auditor

DFK BKM Audit Services
Level 4, 689 Burke Road
Camberwell VIC 3124
T: (03) 9804 0411

Solicitor

Partners Legal Solutions
Level 13, 636 St Kilda Road
Melbourne VIC 3004
T: (03) 8517 0150

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Victoria - Head Office

700 Spencer Street
West Melbourne VIC 3003
Ph: 03 9289 5000
REC:25495

Victoria - Truganina

15 Annick Crescent
Truganina VIC 3029
Ph: 03 9289 5000
REC:25495

New South Wales

Unit 18, 7-9 Percy Street
Auburn NSW 2144
Ph: 02 8089 1916
CL:313466C

Queensland

Unit 8, 168-170 Redland Bay Road
Capalaba QLD 4157
Ph: 07 3217 4963
ECL: 83516

Northern Territory

Unit 2, 53 Hickman Street
Winnellie NT 0821
Ph: 08 7924 7057
C:3759

South Australia

193 Henley Beach Road
Mile End SA 5031
Ph: 08 8362 4942
PGE:283019

Western Australia

Unit 4, 94 Belgravia Road
Belmont WA 6104
Ph: 08 6118 6505
EC: 14995

Australian Capital Territory

490 Northbourne Avenue
Dickson ACT 2602
Ph: 02 8089 1916

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ABN 24 004 554 929
E investors@sks.com.au
P 1300 908 689
W www.sks.com.au

SKS Technologies