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Emeco Holdings Limited and its Controlled Entities

ABN 89 112 188 815

Interim financial report

For the half year ended 31 December 2025

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Directors' report

31 December 2025

The directors of Emeco Holdings Limited (Company) submit this report in respect of the half year ended 31 December 2025 and the review report thereon.

Directors

The following persons were directors of Emeco Holdings Limited during the half year and up to the date of this report unless otherwise noted:

Non-executive directors

Ian Macliver (Chair)

Peter Frank

James Walker III

Shaun Treacy (appointed 1 October 2025)

Sarah Adam-Gedge (resigned 20 November 2025)

Executive

Ian Testrow (Managing Director & Chief Executive Officer)

Financial performance

Emeco Holdings Limited and its Controlled Entities (Group) reported a net profit after tax for the half year ended 31 December 2025 of \$38.7 million (1H25: \$33.6 million). Total revenue for the period was \$420.8 million (1H25: \$387.3 million).

Dividends

The board have elected to preserve capital and to prioritise growth opportunities expected to emerge over the next 12 months. Consequently, no shareholder distributions have been recommended for the half year ended 31 December 2025.

On-market share buy-back

No on-market share buy-backs were made during the financial period (1H25: \$nil) for the Emeco employee Long Term Incentive plan.

Operating & Financial Review

The Group supplies safe, reliable and maintained surface and underground mining equipment rental solutions, together with onsite infrastructure to its customers. The Group also provides repair and maintenance, and component and machine rebuild services to the mining industry.

Established in 1972, the Group listed on the ASX in July 2006 and is headquartered in Perth, Western Australia.

The Group generates earnings from the provision of surface and underground mining equipment, maintenance and project support solutions and services to the mining industry. Operating costs principally comprise parts and labour associated with maintaining earthmoving equipment. Capital expenditure principally comprises the replacement of major components over the life cycle of the Group's assets, with the balance used to acquire assets (growth and replacement), including midlife equipment cores and the cost to rebuild those cores.

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Directors' report (continued)

31 December 2025

Operating & Financial Review (continued)

Table 1: Group Financial Results

\$ millions	Operating results ^{(1), (2), (3)}		Statutory results	
	1H26	1H25	1H26	1H25
Revenue	420.8	387.3	420.8	387.3
EBITDA	155.5	145.8	144.9	139.3
EBIT	77.0	68.3	65.8	61.5
NPAT	46.5	38.3	38.7	33.6
EBITDA margin	37.0%	37.6%	34.4%	36.0%
EBIT margin	18.3%	17.6%	15.6%	15.9%

(1) Certain items have been excluded from the statutory result to aid the comparability and usefulness of the financial information. This adjusted information (operating results) enables users to better understand the underlying financial performance of the business in the current period.

(2) Operating results are non-IFRS.

(3) EBITDA: Earnings before interest, tax, depreciation and amortisation, and impairment of tangible assets; EBIT: Earnings before interest and tax. These measures are non-IFRS. Refer to the operating to statutory results reconciliation below for further information.

Table 2: 1H26 Statutory to operating results reconciliation

\$ millions	Statutory	Tangible asset impairments	Long-term incentive program	Corporate and strategic costs	(Gain)/loss on sale of equipment	Restructuring expenses	Tax effect of adjustments	Operating
EBITDA	144.9	-	2.0	7.6	0.6	0.4	-	155.5
EBIT	65.8	0.5	2.0	7.6	0.6	0.4	-	77.0
NPAT	38.7	0.5	2.0	7.6	0.6	0.4	(3.3)	46.5

Note: Figures may not add due to rounding.

The following non-operating adjustments have been made to the statutory results:

- **Tangible asset impairments:** Net impairments totaling \$0.5 million (1H25: \$0.3 million) were recognised across the business on assets held for sale.
- **Long-term incentive program:** During 1H26, Emeco recognised \$2.0 million of non-cash expenses relating to the employee incentive plan (1H25: \$1.8 million).
- **Corporate and strategic costs:** Expenditure of \$7.6 million (1H25: \$2.1 million) was incurred during the period, relating to the Group's ERP implementation project, software upgrades and other transformational expenditure as well as takeover defence costs.
- **Restructuring expense:** The Group incurred non-recurring corporate restructuring expenses of \$0.4 million (1H25: \$2.6 million), relating to the corporate and operational overhead restructure.
- **Loss/(gain) on sale of equipment:** During 1H26, a \$0.6 million loss was recognised on disposal of equipment (1H25: \$nil).
- **Tax effect of adjustments:** notional tax on above adjustments at 30%.

Operating results

Operating net profit after tax (NPAT) for the half year ended 31 December 2025 (1H26) was \$46.5 million, an increase of \$8.2 million or 21% on the prior comparative period (pcp or 1H25). This improvement was largely driven by higher earnings from maintenance services as well as lower finance costs reflecting lower net debt levels and base rates.

Directors' report (continued)

31 December 2025

Operating results (continued)

Group revenue for 1H26 was \$420.8 million, an increase of 9% from \$387.3 million in 1H25, due primarily to the strong growth in maintenance services revenue.

Rental revenue grew by 14%, driven primarily by the delivery of increased maintenance services offerings across key contracts. Workshops external revenue was \$78.5 million, a decrease of 11% from \$87.1 million in 1H25, primarily due to reduced external machine rebuild activity, as capacity was proactively redeployed internally to support the Rental business.

Operating EBITDA was \$155.5 million, increasing 7% from \$145.8 million in 1H25. Operating EBIT was \$77.0 million, increasing 13% from \$68.3 million in 1H25. Operating EBITDA and Operating EBIT margins were broadly stable at 37% and 18%, respectively (38% and 18% in the pcp) reflecting a change in revenue mix (higher maintenance revenue and change in equipment fleet mix).

Operating cash flow

Cash from operations was \$158.1 million in 1H26, up from \$131.4 million in 1H25. This was driven by higher earnings and a net working capital inflow of \$3.0 million partially offset by non-operating cash costs. EBITDA to cash conversion was 110%.

Non-operational cash costs include corporate restructuring, takeover defence, ERP and other corporate costs totalling \$8.6 million in 1H26 (1H25: \$4.7 million).

Net sustaining capital expenditure for the period was \$86.7 million, made up of \$90.7 million in sustaining capital expenditure, partially offset by asset sales of \$4.0 million.

Table 3: Net debt and gearing summary

\$ millions	31 December 2025	30 June 2025
Interest bearing liabilities (current and non-current) ¹		
Secured notes - (AMTN)	250.0	250.0
Lease liabilities and other financing	64.5	71.3
Total debt¹	314.5	321.3
Less: cash	(171.2)	(126.4)
Net debt¹	143.3	194.9
Leverage ratio ²	0.46x	0.65x
Interest cover ratio ³	12.8x	12.1x

Notes:

(1) Figures based on facilities drawn, includes debt raising costs classified as interest bearing liabilities in note 4, and excludes supply chain finance.

(2) Leverage ratio – Net debt / Rolling 12-month Operating EBITDA.

(3) Interest cover ratio – Rolling 12-month Operating EBITDA / Net interest expense excluding borrowing cost amortisation.

Emeco's leverage ratio has improved materially from 0.65x to 0.46x over the period, underpinned by strong cash generation and working capital discipline, resulting in a meaningful reduction in net debt.

Refer to notes 4 and 11 of the accompanying consolidated interim financial report for additional information on Emeco's financing facilities.

Significant events occurring after half year end

On 19 January 2026, the Group finalised the redemption of its \$250 million Australian Medium-Term Notes (AMTN) which were due to mature in July 2026. The early redemption was fully funded by the Group's new 5-year \$355 million revolving syndicated debt facility executed in November 2025. Refer to Note 4 for further detail regarding the refinanced revolving syndicated debt facility.

Directors' report (continued)

31 December 2025

Auditor's independence declaration

The auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the half year ended 31 December 2025.

Rounding of amounts

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The consolidated interim financial report was approved by the board of directors on 18 February 2026. This report is made in accordance with the resolution of directors.



Ian Testrow
Managing Director

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18 February 2026

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

The Board of Directors
Emeco Holdings Limited
Level 3, 133 Hasler Road
Osborne Park WA 6017

Dear Board Members

Auditor's Independence Declaration to Emeco Holdings Limited

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

As lead audit partner for the review of the half year financial report of Emeco Holdings Limited for the half year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



DELOITTE TOUCHE TOHMATSU



A T Richards
Partner
Chartered Accountants

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Emeco Holdings Limited and its Controlled Entities
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2025

	Note	31 December 2025 \$000	31 December 2024 \$000
Continuing operations			
Revenue	1	420,774	387,313
Other income		2,616	1,342
Repairs and maintenance		(61,746)	(55,231)
External mining and maintenance services		(115,943)	(94,817)
Cartage and fuel		(10,544)	(12,488)
Employee expenses		(33,296)	(36,475)
Depreciation and amortisation expense		(78,503)	(77,541)
Impairment of tangible assets		(530)	(311)
Other expenses		(56,930)	(50,310)
Finance income		1,408	1,020
Finance costs	4	(12,167)	(14,470)
Net foreign exchange (loss)/gain		(32)	301
Profit before tax expense		55,107	48,333
Income tax expense		(16,439)	(14,752)
Profit after tax for the period		38,668	33,581
Other comprehensive income/(loss)			
Items that are or may be reclassified to profit and loss:			
Foreign currency translation differences (net of tax)		27	(533)
Total other comprehensive income/(loss) for the period		27	(533)
Total comprehensive income for the period		38,695	33,048
Profit attributable to:			
Owners of the Company		38,668	33,581
Profit for the period		38,668	33,581
Total comprehensive profit attributable to:			
Owners of the Company		38,695	33,048
Total comprehensive income for the period		38,695	33,048

The condensed consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Emeco Holdings Limited and its Controlled Entities
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
(continued)

For the six months ended 31 December 2025

	31 December 2025 cents	31 December 2024 cents
Profit per share:		
Basic earnings per share	7.46	6.53
Diluted earnings per share	7.24	6.36

The condensed consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Emeco Holdings Limited and its Controlled Entities
Condensed Consolidated Interim Statement of Financial Position

As at 31 December 2025

	Note	31 December 2025 \$000	30 June 2025 \$000
Current assets			
Cash and cash equivalents		171,154	126,356
Trade and other receivables	2	124,234	138,669
Inventories and work in progress		48,328	42,384
Assets held for sale	3	20,820	8,479
Other current assets	2	41,664	30,946
Total current assets		<u>406,200</u>	<u>346,834</u>
Non-current assets			
Property, plant and equipment		805,436	803,924
Right-of-use assets		79,753	79,627
Intangible assets		8,123	8,202
Other financial assets		4,687	4,662
Other non-current assets	2	12,964	3,751
Total non-current assets		<u>910,963</u>	<u>900,166</u>
Total assets		<u>1,317,163</u>	<u>1,247,000</u>
Current liabilities			
Trade and other payables		150,142	130,972
Interest bearing liabilities	4	270,325	22,401
Provisions		12,253	11,533
Total current liabilities		<u>432,720</u>	<u>164,906</u>
Non-current liabilities			
Interest bearing liabilities	4	44,168	298,931
Provisions		411	437
Deferred tax liabilities		84,344	67,905
Total non-current liabilities		<u>128,923</u>	<u>367,273</u>
Total liabilities		<u>561,643</u>	<u>532,179</u>
Net assets		<u>755,520</u>	<u>714,821</u>
Equity			
Share capital	5	1,148,838	1,148,838
Reserves		38	(1,993)
Accumulated losses		(393,356)	(432,024)
Total equity attributable to equity holders of the Company		<u>755,520</u>	<u>714,821</u>

The condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

Emeco Holdings Limited and its Controlled Entities
Condensed Consolidated Interim Statement of Changes in Equity

For the half year ended 31 December 2025

	Share capital	Share based payment reserve	Foreign currency translation reserve	Treasury shares	Accumulated losses	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2025	1,148,838	26,211	(239)	(27,965)	(432,024)	714,821
Total comprehensive income for the half year						
Profit for the half year	-	-	-	-	38,668	38,668
Other comprehensive income						
Foreign currency translation differences	-	-	27	-	-	27
Total comprehensive income for the half year	-	-	27	-	38,668	38,695

Transactions with owners, recorded directly in equity

Contributions by and distributions to owners

Share-based payment transactions	-	2,004	-	-	-	2,004
Balance at 31 December 2025	1,148,838	28,215	(212)	(27,965)	(393,356)	755,520

	Share capital	Share based payment reserve	Foreign currency translation reserve	Treasury shares	Accumulated losses	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2024	1,148,838	23,490	42	(27,965)	(507,164)	637,241
Total comprehensive income for the half year						
Profit for the half year	-	-	-	-	33,581	33,581
Other comprehensive income						
Foreign currency translation differences	-	-	(533)	-	-	(533)
Total comprehensive income for the half year	-	-	(533)	-	33,581	33,048

Transactions with owners, recorded directly in equity

Contributions by and distributions to owners

Share-based payment transactions	-	1,810	-	-	-	1,810
Balance at 31 December 2024	1,148,838	25,300	(491)	(27,965)	(473,583)	672,099

The condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

Emeco Holdings Limited and its Controlled Entities
Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 31 December 2025

	31 December 2025 \$000	31 December 2024 \$000
Cash flows from operating activities		
Cash receipts from customers	478,524	448,561
Cash paid to suppliers and employees	(320,386)	(317,137)
Cash generated from operations	158,138	131,424
Finance income received	1,383	890
Finance costs paid	(14,368)	(13,448)
Net cash generated from operating activities	145,153	118,866
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	3,970	2,895
Payment for property, plant and equipment	(90,667)	(77,630)
Net cash used in investing activities	(86,697)	(74,735)
Cash flows from financing activities		
Proceeds from borrowings	30,000	35,000
Repayment of borrowings	(30,000)	(35,608)
Repayment of lease liabilities and other financing	(13,654)	(11,596)
Net cash used in financing activities	(13,654)	(12,204)
Net increase in cash and cash equivalents	44,802	31,927
Cash and cash equivalents at beginning of the period	126,355	78,265
Effects of exchange rate fluctuations on cash held	(3)	2
Cash and cash equivalents at the end of the financial period	171,154	110,194

The condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

Emeco Holdings Limited and its Controlled Entities
Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2025

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For the half year ended 31 December 2025

1. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units.

The strategic business units offer different products and services and were managed separately because they require different operational strategies. For each of the strategic business units, the Managing Director and board of directors review internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Emeco Rental

Provides a wide range of surface and underground earthmoving equipment solutions to customers in Australia. Additional technology platforms have been developed to enable customers to improve earthmoving efficiencies of their rental machines.

Force Workshops

Provides maintenance, equipment and component rebuild services to customers in Australia.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before interest and income tax as included in the internal management reports that are reviewed by the Group's Managing Director and board of directors. Segment earnings before interest, income tax, depreciation and amortisation is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Emeco Holdings Limited and its Controlled Entities
Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2025

1. Operating segments (continued)

	Rental \$000	Workshops \$000	Total \$000
Period ended 31 December 2025			
Segment revenue	342,314	140,521	482,835
Intersegment revenue	-	(62,061)	(62,061)
Revenue from external customers	342,314	78,460	420,774
Other income	2,487	23	2,510
Restructuring costs	(405)	-	(405)
Segment earnings before interest, tax, depreciation, amortisation and impairment	166,926	6,492	173,418
Impairment of tangible assets	(530)	-	(530)
Depreciation and amortisation	(74,468)	(3,358)	(77,826)
Segment result (EBIT)	91,928	3,134	95,062
Corporate overheads ⁽¹⁾			(29,164)
EBIT			65,898
Net finance costs			(10,759)
Net foreign exchange loss			(32)
Net profit before tax			55,107
Tax expense			(16,439)
Net profit after tax			38,668
Total assets for reportable segments	1,060,748	55,707	1,116,455
Unallocated assets			200,708
Total Group assets			1,317,163
Net capital expenditure	85,549	1,148	86,697
Total liabilities for reportable segments	135,610	48,055	183,664
Unallocated liabilities			377,979
Total Group liabilities			561,643

(1) Corporate overheads include \$0.7m (December 2024: \$0.6m) of depreciation and amortisation expense; \$2.0m (December 2024: \$1.8m) of share-based payments expense, \$nil (December 2024: \$2.5m) of restructuring costs; and \$7.6m (December 2024: \$2.1m) of ERP implementation and takeover defence costs.

Emeco Holdings Limited and its Controlled Entities
Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2025

1. Operating segments (continued)

	Rental \$000	Workshops \$000	Total \$000
Period ended 31 December 2024			
Segment revenue	300,216	142,609	442,825
Intersegment revenue	-	(55,512)	(55,512)
Revenue from external customers	300,216	87,097	387,313
Other income/(expense)	1,347	(5)	1,342
Segment earnings before interest, tax, depreciation, amortisation and impairment	158,992	7,842	166,834
Impairment of tangible assets	(311)	-	(311)
Depreciation and amortisation	(73,384)	(3,536)	(76,920)
Segment result (EBIT)	85,297	4,306	89,603
Corporate overheads			(28,121)
EBIT			61,482
Net finance costs			(13,450)
Net foreign exchange gain			301
Net profit before tax			48,333
Tax expense			(14,752)
Net profit after tax			33,581
Total assets for reportable segments	971,388	86,313	1,057,701
Unallocated assets			139,945
Total Group assets			1,197,646
Net capital expenditure	73,573	1,161	74,734
Total liabilities for reportable segments	80,996	59,282	140,278
Unallocated liabilities			385,269
Total Group liabilities			525,547

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Emeco Holdings Limited and its Controlled Entities
Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2025

2. Trade and other receivables

	31 December 2025 \$000	30 June 2025 \$000
Current		
Trade receivables	93,838	108,649
Accrued revenue	20,409	19,409
Less: Allowance for expected credit losses	(146)	(86)
	<u>114,101</u>	<u>127,972</u>
Other receivables	9,985	10,435
Deferred employee benefits expense	148	262
	<u>124,234</u>	<u>138,669</u>
Other current assets		
Prepayments	10,495	3,803
Contract assets ⁽¹⁾	31,169	27,143
	<u>41,664</u>	<u>30,946</u>
Other non-current assets		
Contract assets ⁽¹⁾	12,964	3,751
	<u>12,964</u>	<u>3,751</u>

The movement in the allowance for expected credit losses ("ECL") in respect of trade receivables and accrued revenue during the period was as follows:

	31 December 2025 \$000	30 June 2025 \$000
Opening loss allowance as at 1 July	86	308
Loss allowance on trade receivables arising during the period	60	(222)
Closing loss allowance	<u>146</u>	<u>86</u>

(1) During the reporting period, the Group amortised \$11,459,740 (1H25: \$11,688,058) of contract assets to the consolidated statement of profit or loss and other comprehensive income.

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Emeco Holdings Limited and its Controlled Entities
Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2025

3. Assets held for sale

As at 31 December 2025, assets held for sale totalled \$20,820,000 (30 June 2025: \$8,479,000). Level 3 fair value hierarchy has been used in determining the fair value with reference to an independent valuation utilising observable market valuations less estimated costs to sell. The Group is actively marketing these assets and they are expected to be disposed of within 12 months.

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is allocated to the assets and liabilities on a pro rata basis, except for inventories, financial assets, deferred tax assets, employee benefit assets which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

	31 December	30 June
	2025	2025
	\$000	\$000
Assets held for sale		
Property, plant and equipment	20,820	8,479
Total	20,820	8,479

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Emeco Holdings Limited and its Controlled Entities
Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2025

4. Interest bearing liabilities

	31 December 2025 \$000	30 June 2025 \$000
Current		
<i>Amortised cost</i>		
Secured notes (AMTN) ⁽¹⁾	250,000	-
Lease liabilities	19,011	19,426
Other financing	-	1,758
Financial liability ⁽²⁾	1,314	1,217
	270,325	22,401
Non-current		
<i>Amortised cost</i>		
Secured notes (AMTN) ⁽¹⁾	-	250,000
Debt raising costs ⁽³⁾	(1,393)	(1,209)
Lease liabilities	45,155	49,532
Financial liability ⁽²⁾	406	608
	44,168	298,931

Notes:

- (1) The Group's drawn \$250 million AMTN was redeemed subsequent to reporting date via the refinanced revolving syndicated debt facility. Refer to Note 11 for further information.
- (2) A current financial liability of \$1,314,000 (30 June 2025: \$1,217,000) and non-current financial liability of \$406,000 (30 June 2025: \$608,000) was recognised, relating to the sale and leaseback of equipment.
- (3) Carried at amortised cost. The movement from prior year is due to amortisation recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period. Debt raising costs pertaining to the revolving syndicated facility were also capitalised during the period.

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Emeco Holdings Limited and its Controlled Entities
Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2025

4. Interest bearing liabilities (continued)

The Group's finance costs comprise of the following:

	31 December 2025	31 December 2024
	\$000	\$000
Interest expense	11,373	13,775
Amortisation of debt establishment costs	594	556
Other facility costs	200	139
	<u>12,167</u>	<u>14,470</u>

Revolving credit facility

The \$100,000,000 Revolving Credit Facility ("RCF") included cash available of \$95,000,000 under a Loan Note Agreement and a bank guarantee facility of \$5,000,000. The facility expired in December 2025 and was replaced with the \$355 million revolving syndicated facility described below.

Secured notes

The \$250,000,000 Australian Medium Term Notes (AMTN) had a fixed coupon of 6.25%, payable semi-annually, and had a maturity date of 10 July 2026. These notes included restrictions on issuing additional debt if leverage (net debt divided by Operating EBITDA) was greater than 1.75x and shareholder distributions if leverage was greater than 2.0x. The notes included a call premium of 1.5625% which was payable on the notes if the notes were redeemed prior to 10 July 2025. No call premium was payable after this date. There were no restrictions on capital expenditure. The effective interest rate of these notes was 6.76%, which was inclusive of the capitalised borrowing costs and annual coupon.

At reporting date, the Group's drawn \$250 million AMTN was classified as current interest-bearing liabilities, given the notes were to mature on 10 July 2026. However, on 28 November 2025, the Group announced the successful refinancing of its long-term debt facilities by way of a new \$355 million revolving syndicated debt facility maturing in December 2030. This new 5-year facility replaced the Group's previous revolving debt facility and was utilised on 19 January 2026 to redeem the \$250 million AMTN. Refer to Note 11 for further information.

Revolving syndicated facility

The \$355,000,000 Revolving Syndicated Facility ("RSF") includes cash available of \$350,000,000 and a bank guarantee of \$5,000,000 and expires in December 2030. Interest on the RSF is based on BBSY rate plus a margin. The margin varies depending on the Group's leverage ratio.

The RSF is subject to financial covenants requiring the Group to maintain an interest cover ratio of not less than 2.75:1 and a leverage ratio of less than 2.75:1. The Group monitors compliance with these covenants on an ongoing basis and was in compliance with all covenant requirements throughout the reporting period.

At reporting date, \$nil had been drawn under the RSF.

Lease liabilities

During the period, additions to lease liabilities were \$5,800,000 (31 December 2024: \$2,402,000) with \$680,000 of leases terminated during the period (31 December 2024: \$1,038,000). Lease payments net of interest of \$9,912,000 were made during the period (31 December 2024: \$11,956,000).

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Emeco Holdings Limited and its Controlled Entities
Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2025

4. Interest bearing liabilities (continued)

Financial liability

Emeco recognised a current financial liability of \$1,314,000 (30 June 2025: \$1,217,000) and non-current financial liability of \$406,000 (30 June 2025: \$608,000) relating to the sale and leaseback of equipment.

Working capital facility

The Group has a credit card facility with a limit of \$200,000 (30 June 2025: \$200,000). The facility is secured via a term deposit.

Other financing

At 30 June 2025, other financing liabilities included the Group's insurance premium funding of \$1,758,000. At 31 December 2025, the liability for the Group's insurance premium is included in Trade and Other Payables (\$5,095,000). Subsequent to reporting date, the Group financed its annual insurance premium through a funding facility. Repayments on this facility commence in January 2026 and complete in October 2026.

To manage the cash flow conversion cycle on goods and services procured by the Group, and to ensure that suppliers receive payment in a timely manner, the Group utilises supply chain financing. The Group's drawn supply chain financing facilities are classified within trade and other payables. The facilities totalled \$43,691,000 as at 31 December 2025 (30 June 2025: \$34,237,000), and the available limit on these facilities was \$44,500,000 as at 31 December 2025 (30 June 2025: \$35,500,000).

5. Equity - issued capital and reserves

	31 December 2025 \$000	30 June 2025 \$000
Share capital		
518,374,757 (30 June 2025: 518,374,757) ordinary shares, fully paid	1,224,725	1,224,725
Acquisition reserve	(75,887)	(75,887)
	<u>1,148,838</u>	<u>1,148,838</u>

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. Shares have no par value. In the event of a company's liquidation, ordinary shareholders rank behind all other creditors and are only entitled to any remaining proceeds after all secured, unsecured, and preferential creditors have been paid.

Emeco Holdings Limited and its Controlled Entities
Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2025

5. Equity - issued capital and reserves (continued)

Details	Date	Shares	\$000
Balance	1 July 2025	518,374,757	1,224,725
Balance	31 December 2025	518,374,757	1,224,725
Less: Treasury shares		(3,885,405)	
Issued capital		514,489,352	

Dividends

No dividend was declared for the current and prior period.

Franking account

	31 December 2025 \$000	30 June 2025 \$000
Dividend franking account		
30% franking credits available to shareholders of Emeco Holdings Limited for subsequent financial years	72,914	72,914

The above available amounts are based on the balance of the dividend franking account at period end adjusted for:

- (a) franking credits that will arise from the payment of current tax liabilities and recovery of current tax receivables;
- (b) reductions to the franking account that will arise from the payment of dividends recognised as a liability at 31 December 2025;
- (c) franking credits that will arise from the receipt of dividends recognised as receivable by the tax consolidated group at 31 December 2025;
- (d) franking credits that the Company may be prevented from distributing in subsequent years; and
- (e) franking credits from acquired entities.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the Company as the head entity in the Australian tax consolidated group has also assumed the benefit of \$72,914,000 (30 June 2025: \$72,914,000) franking credits.

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For the half year ended 31 December 2025

6. Contingent liabilities and commitments

Guarantees

The Group has provided bank guarantees in the amount of \$3,010,000 (30 June 2025: \$3,183,000) in relation to obligations under operating leases and rental premises.

7. Reporting entity

Emeco Holdings Limited ("Company") is a for profit company domiciled in Australia. The condensed consolidated interim financial report of the Company as at and for the six months ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the provision of safe, reliable and maintained earthmoving equipment rental solutions and mining services solutions to its customers as well as the maintenance and remanufacturing of major components of heavy earthmoving equipment.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2025 is available on the Company's web site at www.emecogroup.com.

8. Basis of preparation

Statement of compliance

The condensed consolidated interim financial report has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

It does not include all of the information required for the full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2025.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2025 annual financial report for the financial year ended 30 June 2025. The accounting policies are consistent with Australian Accounting Standards.

The presentation of certain items in the financial statements have been amended during the period to simplify the presentation and aid understanding. Where applicable, comparative amounts have been reclassified to ensure comparability.

This condensed consolidated interim financial report was approved by the board of directors on 18 February 2026.

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For the half year ended 31 December 2025

8. Basis of preparation (continued)

Statement of compliance (continued)

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Going concern

At reporting date, the Group's drawn \$250 million Australian Medium Term Notes were classified as current interest bearing liabilities, given the notes mature on 10 July 2026. Consequently, the financial position as at 31 December 2025 reports a net current liability position of \$27 million. However, on 28 November 2025, the Group announced the successful refinancing of its long-term debt facilities by way of a new \$355 million revolving syndicated debt facility maturing in December 2030. This new 5-year facility replaced the Group's previous revolving debt facility and was utilised on 19 January 2026 to redeem the \$250 million AMTN. At the date of this report, the Group is no longer in a net current liability position following the redemption of the \$250 million AMTN enabling it to meet its debts as and when they fall due. Refer to Note 4 for further information.

9. Material accounting policies

The principal accounting policies adopted in the preparation of the condensed consolidated interim financial statements are set out below. The accounting policies are consistent with those disclosed in the prior period financial statements, except for the impact of new and amended standards and interpretations, effective 1 July 2025. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies. The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

Recognition of tax losses

In accordance with the Company's accounting policy for deferred taxes (refer note 5 of the Company's 30 June 2025 financial statements), a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise these losses. This includes estimates and judgements about future profitability and tax rates. Changes in these estimates and assumptions could impact on the amount and probability of unused tax losses and accordingly the recoverability of deferred tax assets.

Due to the recent history of operating profits, the Company brought to account all previously unrecognised Australian tax losses as a deferred tax asset, totalling \$75,492,000 at 30 June 2025. A taxable profit was generated in the current period decreasing the recognised deferred tax asset to \$73,711,000 at 31 December 2025.

At 30 June 2025, the Company recognised a deferred tax asset for its full historical Australian tax losses which was offset by deferred tax liabilities, resulting in a net deferred tax liability of \$67,905,000. At 31 December 2025, the Company has recognised the full deferred tax asset of \$73,711,000 associated with its carried forward tax losses, which are offset by other temporary differences, being predominantly deferred tax liabilities, resulting in a net deferred tax liability of \$84,344,000 at 31 December 2025. The Company expects to fully utilise carried forward losses as the Group is expected to continue to generate taxable profits in the future.

For the half year ended 31 December 2025

9. Material accounting policies (continued)

Impairment of assets

The Group performs annual impairment testing at 30 June, however, also performs an assessment at the end of each reporting period as to whether there are any indicators that its cash generating units (CGUs) may be impaired.

Emeco tested the non-current assets of the combined Rental CGU for impairment. In making such assessment at 31 December 2025, the Group has considered the following factor as indicating its CGU may be impaired:

- The carrying amount of the net assets of the Group is more than its market capitalisation at 31 December 2025.

As a result of the above indicator, the Group has performed impairment testing by comparing the CGU recoverable amount to its carrying amount. The accounting policies applied by the Group in relation to the preparation of the impairment model are the same as those applied in its Annual Financial Report for the year ended 30 June 2025. Key assumptions are consistent with those applied in the June 2025 assessment, however, have been updated to consider the revised forecast of the Rental CGU and the current discount rate. The post-tax discount rate used in the calculations is 10.2% (June 2025: 9.7%).

The recoverable amount of the Rental and Workshop CGUs continued to exceed their carrying amounts with reasonably possible changes to key assumptions.

10. Key management personnel

There were no other changes in key management personnel during the six months ended 31 December 2025, and arrangements with other key management have remained consistent since 30 June 2025.

11. Subsequent events

On 19 January 2026, the Group finalised the redemption of its \$250 million AMTN which were due to mature in July 2026. The early redemption was fully funded by the Group's new 5-year \$355 million revolving syndicated debt facility concluded in November 2025. Refer to Note 4 for further detail surrounding the refinanced revolving syndicated debt facility.

Directors' declaration

In the opinion of the directors of Emeco Holdings Limited (Company):

1. the financial report and notes, set out on pages 6 to 23, are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the financial position of the Group as at 31 December 2025 and of its performance for the half year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth on the 18th day of February 2026.

Signed in accordance with a resolution of the directors:



Ian Testrow
Managing Director

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Independent Auditor's Review Report to the Members of Emeco Holdings Limited

Conclusion

We have reviewed the half-year financial report of Emeco Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2025, and the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the half-year ended on that date, notes to the interim financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 6 to 24.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board ("the Code") that are relevant to our audit of the annual 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 review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


DELOITTE TOUCHE TOHMATSU


A T Richards
Partner
Chartered Accountants
Perth, 18 February 2026


N H Gordon
Partner
Chartered Accountants
Perth, 18 February 2026

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