

ASX Appendix 4D

For the half-year ended
31 December 2025

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ASX Appendix 4D

Half-year result for announcement to the market
Saunders International Limited – ABN 14 050 287 431

1. Reporting Period

Financial half-year ended ('current period')	Financial half-year ended ('previous corresponding period')
31-Dec-25	31-Dec-24

2. Results For Announcement To The Market

	Dec-25 \$'000	Dec-24 \$'000	Change \$'000	Change %
Key Information				
Revenue from Ordinary Activities	143,557	126,310	17,247	13.65%
Net Profit after Tax	(4,152)	5,036	(9,188)	N/M
Net Profit After Tax Attributable to Members	(4,152)	5,036	(9,188)	N/M

A description of the figures reported above is contained in the attached Saunders International Limited Interim Consolidated Financial Report for the half-year ended 31 December 2025.

Refer to Review of Operations on page 4 of the Saunders International Limited 31 December 2025 Interim Consolidated Financial Report for a detailed explanation and commentary on the result.

3. Dividends

	Period	Payment Date	Amount per security cents	Franked amount per security at 30% tax
Dividend				
Interim Dividend	31-Dec-25	N/A	0.00	N/A
Final Dividend	30-Jun-25	14-Oct-25	0.25	100%
Interim Dividend	31-Dec-24	14-Apr-25	2.00	100%

4. Net Tangible Assets Backing

	Current Period cents	31-Dec-24 cents
Net Tangible Assets per security		
Net Tangible Assets per security	8.34	30.99

5. Review Status

The H1 FY2026 results are based on financial statements which have been subject to a review by Deloitte Touche Tohmatsu and the Auditors' Review Reports contains no qualifications.

6. Control Gained or Lost Over Entities Having Material Effect

Effective from 1 July 2025, Saunders International Limited gained control of Aqua Metro Pty Ltd and its associated entities (Aqua Metro group).

Interim Consolidated Financial Report

For the half-year ended
31 December 2025

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



Acknowledgment of Country

We acknowledge the Traditional Owners and Custodians of Country throughout Australia.

We pay our respects to all First Nations peoples and acknowledge Elders past and present. As a business that works across many locations, we recognise and support their continuing connection to lands, waters, cultures, languages, and traditions.

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Directors' Report

The Directors of Saunders International Limited ('Saunders', 'the Group', 'the Company') present the half-year financial report for the period ended 31 December 2025. This report has been prepared in accordance with the requirements of the Corporations Act 2001.

Directors

The names and particulars of the Directors of the Company during or since the end of the half-year are:

- Nicholas Yates Non-Executive Director
- Gregory Fletcher Non-Executive Director
- Andrew Bellamy Non-Executive Director (appointed 23 September 2025)
- Mark Benson Non-Executive Director (resigned 31 December 2025)
- Angelo De Angelis Managing Director & Chief Executive Officer (appointed 22 September 2025)

Review of Operations

A summary of the revenues and results is as follows:	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Revenue	143,557	126,310
(Loss)/profit before income tax	(5,351)	7,270
Income tax benefit/(expense)	1,199	(2,234)
(Loss)/profit attributable to the members of Saunders International Limited	(4,152)	5,036
Reconciliation of profit before income tax to EBITDA (unaudited):	31 Dec 2025 \$'000	31 Dec 2024 \$'000
(Loss)/ profit before income tax	(5,351)	7,270
Interest income	(188)	(55)
Interest expense on loans and finance charges	620	369
Depreciation & amortisation expense	3,983	2,341
Statutory EBITDA	(936)	9,925
Addback: Total impact of expenses relating to acquisitions and integration	1,308	-
Non-statutory adjusted EBITDA	372	9,925
Reconciliation of profit after income tax to NPAT (unaudited):	31 Dec 2025 \$'000	31 Dec 2024 \$'000
(Loss)/profit after income tax	(4,152)	5,036
Addback: Total impact of expenses relating to acquisitions and integration	1,308	-
Non-statutory adjusted (loss)/profit after tax	(2,844)	5,036

Following our focus in FY2025 on strengthening delivery discipline, operating efficiency and pipeline development, Saunders has entered FY2026 with a clear shift to market-facing delivery structures and tailored customer value propositions.

Saunders' revenue for H1 FY2026 was \$143.6 million, an increase of 13.7% on the prior corresponding period (H1 FY2025) (PCP) following the acquisition of the Aqua Metro group with an effective date of 1 July 2025. (H1 FY2025: \$126.3 million).

Adjusted EBITDA was \$0.4 million in H1 FY2026 (H1 FY2025: \$9.9 million gain), adjusted profit after tax was \$2.8 million loss, (H1 FY2025: \$5.0 million gain) and adjusted basic EPS for the period was 2.14 cents loss (H1 FY2025: 4.27 cents gain).

H1 FY2026 marked the appointment of Angelo De Angelis as Managing Director and Chief Executive Officer, providing continuity of leadership and a strong focus on improving earnings resilience.

Operating momentum improved during the period compared to the second half of FY2025, as previously delayed projects progressed to award and activity levels increased across key markets.

Since the commencement of FY2026, Saunders has secured \$155.8 million in new project awards, with a further \$787.8 million of tenders under evaluation in the short to medium term. These outcomes demonstrate tangible pipeline conversion and improving project award momentum.

Key Highlights

H1 FY2026 Revenue of \$143.6 million, up 13.7% on PCP from the contribution from the acquisition of Aqua Metro group

Adjusted EBITDA of \$0.4 million, down from the PCP of \$9.9 million

Adjusted Profit After Tax (NPAT) of \$2.8 million loss, down on the PCP of \$5.0 million gain

Pipeline of \$4.9 billion, up 22.5% on 30 June 2025

Key markets



Defence & Government

investment in the modernisation of fuel infrastructure continues to accelerate



Water

there is significant ongoing investment in asset renewal and expansion programs across Australia



Energy

significant investment in domestic fuel security and energy transition



Resources & Industrials

critical minerals and strong demand in the gold sector presents new opportunities

Safety

As the Group continues to grow, we are constantly focused on improving our safety performance to ensure we achieve “Zero Harm” for the people who work for us and with us. The Board, Executive Team and Project teams are focused on proactive reporting and structured reviews of high-potential incidents to ensure we work hard to prevent injuries.

Saunders continues to strengthen its safety culture through investment in ‘Together for Safety’ training and our ‘Permission to Pause’ campaign, empowering teams to prioritise safety and wellbeing and take action to ensure safe, high-quality outcomes.

Outlook

As at 31 December 2025, Saunders’ Work-In-Hand was approximately \$549.0 million (30 June \$529.0 million).

The pipeline of opportunities moving into FY2026 has grown significantly. As at 31 December 2025, the Group’s total pipeline was approximately \$4.9 billion, up 22.5% from \$4 billion at 30 June 2025.

This growth reflects Saunders’ expanded and diversified capabilities and strengthened market position, particularly in the Water sector following the acquisition of the Aqua Metro group in 2025.

Saunders’ ability to self-perform across the project lifecycle and engage early with clients through Early Contractor Involvement (ECI), continues to support sole-sourced opportunities, improved project outcomes and enhanced earnings resilience.

With delivery momentum established in H1 FY2026, Saunders enters the second half of the financial year with increased Work-In-Hand, a record opportunity pipeline and improving project award velocity. The actions committed to in FY2025 continue to be delivered, with benefits increasingly evident through project awards, pipeline conversion and improved operational stability.

Dividend

The Board declared on 25 February 2026 that there will be no interim dividend payable.

Events Subsequent to Reporting Date

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

Auditor’s Independence Declaration

The auditor’s independence declaration is included on page 6 of the half-year financial report.

Rounding off of Amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors’ Report Instrument 2016/191), dated 24 March 2016, and in accordance with the Corporations Instrument amounts in the Directors’ report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors

Angelo De Angelis,
Managing Director
Sydney, 25 February 2026

Nicholas Yates,
Chair
Sydney, 25 February 2026

Auditor's Independence Declaration

Deloitte.

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25 February 2026

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

Dear Board Members,

Auditor's Independence Declaration to Saunders International Limited

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

As lead audit partner for the review of the half year financial report of Saunders International 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

DELOITTE TOUCHE TOHMATSU



Vincent Snijders
Partner
Chartered Accountants

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Independent Auditor's Review



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

Conclusion

We have reviewed the half-year financial report of Saunders International Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025 and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 9 to 25.

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 of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's 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.

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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

DELOITTE TOUCHE TOHMATSU



Vincent Snijders
Partner
Chartered Accountants
Parramatta, 25 February 2026

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Financial Report

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Half-Year Ended 31 December 2025

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Revenue	5	143,557	126,310
Other Income	5	3,110	508
Materials and third-party costs charged to projects		(89,053)	(62,391)
Employee benefits expense		(52,290)	(49,185)
Depreciation and amortisation expense	5	(3,983)	(2,341)
Finance costs	5	(432)	(314)
Transport costs		(238)	(227)
Occupancy expense		(529)	(398)
Other expenses		(5,493)	(4,692)
(Loss)/profit before tax		(5,351)	7,270
Income tax benefit/ (expense)	6	1,199	(2,234)
(Loss)/profit after tax		(4,152)	5,036
Net other comprehensive expenses – exchange difference on translating foreign currency operations		(19)	(4)
Total comprehensive income for the period		(4,171)	5,032
Attributable to:			
Equity holders of the parent		(4,171)	5,032
Earnings per share			
Basic (cents per share)	14	(3.15)	4.27
Diluted (cents per share)	14	(3.15)	4.22

Notes to the financial statements are included on pages 13 to 24.

Condensed Consolidated Statement of Financial Position

As at 31 December 2025

	Note	31 Dec 2025 \$'000	30 June 2025 \$'000
Cash and cash equivalents		26,664	22,076
Trade and other receivables		31,852	19,448
Contract assets		11,079	13,619
Assets held for sale ¹		-	1,291
Inventories		419	419
Current tax assets		1,914	835
Other current assets		5,180	820
Total Current Assets		77,108	58,508
Property, plant and equipment		15,649	13,664
Right-of-use assets		10,771	10,833
Intangible assets	16	48,728	17,392
Trade receivables		1,428	428
Deferred tax assets		-	1,961
Total Non-Current Assets		76,576	44,278
Total Assets		153,684	102,786
Trade and other payables		34,924	26,724
Contract liabilities		16,557	6,887
Provisions		6,986	6,174
Other financial liabilities	17	13,284	-
Lease liabilities		2,679	2,176
Borrowings	19	2,856	-
Total Current Liabilities		77,286	41,961
Trade payable		868	-
Lease liabilities		7,745	8,247
Provisions		349	262
Deferred tax liabilities		503	-
Borrowings	19	6,560	-
Total Non-Current Liabilities		16,025	8,509
Total Liabilities		93,311	50,470
Net Assets		60,373	52,316
Issued capital	12	47,292	35,064
Treasury shares under employee share plan	13	(931)	(931)
Share based payments reserve	13	794	467
Foreign Currency Translation Reserve		(76)	(57)
Retained earnings		13,294	17,773
Total Equity		60,373	52,316

1. In August 2025, Saunders sold a property for an amount of \$4 million. The proceeds in excess of the net book value has been recognised as profit in the current period.

Notes to the financial statements are included on pages 13 to 24.

Condensed Consolidated Statement of Changes in Equity

For The Half-Year Ended 31 December 2025

	Issued Capital \$'000	Treasury Shares \$'000	Share Based Payments Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2024	30,918	(1,230)	799	(33)	20,841	51,295
Profit for the period	-	-	-	-	5,036	5,036
Transactions with owners in their capacity as owners						
Dividend paid	-	-	-	-	(2,680)	(2,680)
Shares issued (net of forfeiture/lapsing) during the period	275	-	-	-	-	275
Shares vested during the period	371	-	(371)	-	-	-
Share based payments expense	-	-	28	-	-	28
Foreign currency translation reserve movement	-	-	-	(4)	-	(4)
Balance at 31 December 2024	31,564	(1,230)	456	(37)	23,197	53,950
Balance at 1 July 2025	35,064	(931)	467	(57)	17,773	52,316
Loss for the period	-	-	-	-	(4,152)	(4,152)
Transactions with owners in their capacity as owners						
Dividend paid	-	-	-	-	(327)	(327)
New placement for acquisition (refer note 12)	5,000	-	-	-	-	5,000
Shares issued in relation to acquisition (refer note 12 and 17)	7,000	-	-	-	-	7,000
Shares issued (net of forfeiture/lapsing) during the period	228	-	223	-	-	451
Shares vested during the period	-	-	-	-	-	-
Share based payments expense	-	-	104	-	-	104
Foreign currency translation reserve movement	-	-	-	(19)	-	(19)
Balance at 31 December 2025	47,292	(931)	794	(76)	13,294	60,373

Notes to the financial statements are included on pages 13 to 24.

Condensed Consolidated Statement of Cash Flows

For The Half-Year Ended 31 December 2025

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Receipts from customers		159,414	127,538
Payments to suppliers and employees		(165,747)	(120,691)
Interest received		182	43
Finance costs paid		(620)	(369)
Income tax paid		(1,499)	(2,560)
Net cash (outflows)/ inflows from operating activities		(8,270)	3,961
Payments for property, plant and equipment		(1,264)	(1,197)
Proceeds received in sale of assets		4,110	-
Payments for business acquisition		(3,087)	(825)
Net cash used in investing activities		(241)	(2,022)
Dividends paid to shareholders		(327)	(2,680)
Proceeds from the issue of shares		5,275	-
Proceeds from Borrowings		10,934	2,299
Repayment of Borrowings		(1,518)	(1,149)
Payment of lease liabilities		(1,265)	(889)
Net cash provided by/ (used in) financing activities		13,099	(2,419)
Net increase/ (decrease) in cash and cash equivalents		4,588	(480)
Cash and cash equivalents at the beginning of the period		22,076	19,807
Effects of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents at the end of the financial period		26,664	19,327

Notes to the financial statements are included on pages 13 to 24.

Notes to the Financial Statements

1. Summary Of Material Accounting Policies

Statement of Compliance

The condensed consolidated interim financial report for the half-year ended 31 December 2025 is a general-purpose financial report, prepared in accordance with (AASB 134) Interim Financial Reporting, the Corporations Act 2001, and the ASX Listing Rules.

The interim financial report does not include all notes normally included in an annual financial report and should be read in conjunction with the Group's most recent annual consolidated financial report for the year ended 30 June 2025, together with any public announcements made by the Group during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Basis of Preparation

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments (AASB 9) and other assets/liabilities measured at fair value (AASB 13).

The accounting policies applied are consistent with those adopted in the Group's most recent annual consolidated financial report for the year ended 30 June 2025, except for the alignment of accounting policies of entities acquired during the half-year in accordance with AASB 3 Business Combinations and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Any resulting adjustments, including the recognition of assets and liabilities at fair value at the acquisition date, have been reflected in these interim financial statements.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised prospectively.

All amounts are presented in Australian dollars (\$), which is the Group's functional and presentation currency.

Rounding off amounts

The Group is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Report) Instrument 2016/191, dated 24 March 2016, and in accordance with the Corporations Instrument amounts in the Directors' report and the half-year report are rounded off to the nearest thousand dollars, unless otherwise indicated.

2. Adoption of New and Revised Accounting Standards

Accounting Standards in issue but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the half-year ended 31 December 2025. The group has not early adopted any of these standards. Based on management's assessment, these new or amended standards are not expected to have a material impact on the Group's consolidated financial statements, including the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income of the Group.

3. Significant Changes From The Annual Financial Statements

Acquisition of a subsidiary

Subsequent to the acquisition of the Aqua Metro group in H1 FY2026, the identifiable assets acquired and liabilities assumed have been recognised at their fair values and included in the consolidated Statement of Financial Position as at 31 December 2025. Goodwill has been recognised as the excess of the total purchase consideration over the net fair value of the identifiable assets acquired and liabilities assumed.

Following the acquisition, transactions between the Group and the Aqua Metro group are treated as related-party transactions and are eliminated on consolidation. Other than the matters disclosed in Note 15, there have been no other significant changes in related-party relationships or transactions.

Further details of the acquisition are set out in Note 17, Acquisition of subsidiaries.

Notes to the Financial Statements (cont.)

4. Segment reporting

The Group identifies its operating segments by reference to the internal reporting framework used to evaluate performance and allocate resources. Under this framework, the Managing Director and Chief Executive Officer, in their capacity as Chief Operating Decision Maker (CODM), receives discrete financial information for two distinct areas of activity. One area comprises the Group's Water operations, which generate cash inflows and performance metrics that are monitored separately. All other activities—including Defence, Energy and Resources & Industrials—are managed collectively and evaluated as an integrated portfolio, reflecting the way these services are delivered and overseen. On this basis, the Group reports two operating segments: Water, and Multi-Sector.

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

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

During the H1 FY2026, two customers accounted for more than 29% of the Group's total revenue. Customer A contributed 19% of total revenue, while Customer B contributed 10% of total revenue.

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

Water – Integrated design, engineering, construction and asset services for water storage, pipelines and sewer networks.

Multi-Sector – Multidisciplinary engineering, construction and maintenance across Defence, Energy, and Resources & Industrials.

Segment Revenues and Results

	Multi-Sector \$'000	Water \$'000	Corporate \$'000	Total \$'000
Half-year ended 31 December 2025				
Revenue	88,782	57,885	-	146,667
EBITDA	1,229	4,644	(6,809)	(936)
Depreciation and amortisation				(3,983)
Finance income				188
Finance cost				(620)
Loss before tax				(5,351)
Income tax benefit				1,199
Loss after tax				(4,152)
Half-year ended 31 December 2024				
Revenue	126,818	-	-	126,818
EBITDA	16,045	-	(6,120)	9,925
Depreciation and amortisation				(2,341)
Finance income				55
Finance cost				(369)
Profit before tax				7,270
Income tax expense				(2,234)
Profit after tax				5,036

Notes to the Financial Statements (cont.)

5. Profit/(Loss) for the Period

The Group profit before income tax includes the following items of revenue and expense:

	Half-year Ended 31 Dec 2025 \$'000	Half-year Ended 31 Dec 2024 \$'000
Engineering, Construction, Fabrication and Services revenue	143,557	126,310
Interest income	188	55
Other income	3,110	508
Cost of sales ¹	133,868	104,090
Depreciation of:		
- Buildings	11	19
- Plant and equipment	837	1,034
- Computer, furniture and fixtures	115	139
Amortisation of:		
- Customers contracts and customer relationship	1,723	-
- Right of use assets	1,297	1,149
Total depreciation and amortisation expense	3,983	2,341
Finance costs on lease liabilities	293	335
Other finance costs	327	34
Total Finance Costs	620	369

¹ The cost of sales above relates to labour, materials and subcontractor costs directly incurred in deriving revenue for the Group during the period.

Notes to the Financial Statements (cont.)

6. Income Tax Expense

	Half-year Ended 31 Dec 2025 \$'000	Half-year Ended 31 Dec 2024 \$'000
Current tax relating to current period	(4)	2,274
Deferred tax	(1,195)	(40)
Total Income Tax (benefit)/ expense	(1,199)	2,234
The prima facie income tax expense on pre-tax accounting profit reconciles to income tax expense in the financial statements as follows		
(Loss)/ profit before taxation	(5,351)	7,270
Income tax at 30%	(1,605)	2,181
Non-temporary differences	408	53
Under/(over) provisions in prior years	(2)	-
Total Income Tax (benefit)/ expense	(1,199)	2,234

Aqua Metro group joined Saunders as part of the tax consolidated group in H1 FY2026.

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Notes to the Financial Statements (cont.)

7. Dividends Paid and Proposed

	Half-year Ended 31 Dec 2025 \$'000	Half-year Ended 31 Dec 2024 \$'000
Dividends Paid		
Declared final dividend in FY2025 of 0.25 cents per share fully franked and an interim dividend of 2.00 cents per share fully franked (FY2024: 2.25 cent final dividend per share fully franked and 2.00 cent interim dividend per share fully franked).	327	2,680
Dividends Proposed		
The Board declared on 25 February 2026 that there will be no interim dividend payable. (H1 FY2025: 2.00 cents per share fully franked).	-	2,383

8. Contingent Liabilities and Contingent Assets

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

Subsequent to the commitment disclosed in June 2025 for the purchase of materials with value at \$1.2m for a Defence project, this has now been recognised in profit or loss in the half year ended 31 December 2025.

Bank guarantees and Surety Bonds at 31 December 2025 amounted to \$34.3 million (31 December 2024: \$16.8 million) provided to customers. The Group has combined Bank guarantees and Surety Bond facilities of \$45.0 million (31 December 2024: \$45.0 million).

Subsequent to the acquisition of the Aqua Metro group and the settlement of initial consideration in H1 FY2026, the Group is committed to the contingent consideration for the achievement of earn-out targets for the period ending 30 June 2026. The earn-out consideration comprised of up to \$70 Million in cash and up to \$5.0 million in Saunders shares. Refer to note 17 for details.

9. Employee Share Plan

During the period NIL (H1 FY2025: NIL) Treasury Shares were issued to employees under the existing Employee Share Plan.

10. Performance Rights Plan

The Managing Director and Key Management Personnel participate in the Saunders International Performance Rights Plan. This plan is part of the long-term incentive component of the Managing Director and members of the senior leadership team's remuneration package. During the period a total number of 1,532,690 (H1 FY2025: 1,573,024) Performance Rights were issued under the plan. The total number of Performance Rights issued, yet to vest, under the plan is 4,500,326 as at 31 December 2025.

11. Events Subsequent to Reporting Date

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

Notes to the Financial Statements (cont.)

12. Share Capital

	Number of Ordinary Shares	Half-year Ended 31 Dec 2025 \$'000	Full-year Ended 30 Jun 2025 \$'000
139,592,166 issued ordinary shares (June 2025: 122,207,060)	139,592,166	47,292	35,064
(1,048,992) Treasury shares issued under employee share plan (June 2025: 1,035,537)	(1,048,992)	(931)	(931)

	Number of Ordinary Shares	Half-year Ended 31 Dec 2025 \$'000
June 2025 – Issued Ordinary Shares	122,207,060	35,064
Private placement for acquisition (refer note 17)	7,692,308	5,000
Shares issued to vendors for acquisitions (refer note 17)	9,478,874	7,000
Shares issued under Employee Share and Performance Rights Plans	213,924	228
Shares forfeited under employee share plan	-	-
Treasury Shares vested during the year	-	-
December 2025 – Issued Ordinary Shares	139,592,166	47,292

13. Treasury Shares and Reserves

	Half-year Ended 31 Dec 2025 \$'000	Full-year Ended 30 June 2025 \$'000
Treasury Shares	(931)	(931)
Share-based payments reserve	794	467
	(137)	(464)
Share Based Payments Reserve Movement		
Balance at Beginning of period	467	799
Share based payments expense	104	338
Shares vested/ issued during the period	223	(670)
Balance at end of period	794	467
Treasury Shares Under Employee Share Plan		
Balance at Beginning of period	(931)	(1230)
Treasury shares forfeited/(issued)	-	299
Treasury shares vested	-	-
Balance at end of period	(931)	(931)

Treasury shares are ordinary shares in the company which are offered to employees under the Employee Share Plan and are deducted from equity until the vesting date of the shares.

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

Notes to the Financial Statements (cont.)

14. Earnings Per Share

	Half-year Ended 31 Dec 2025 Cents per share	Half-year Ended 31 Dec 2024 Cents per share
Basic earnings per share	(3.15)	4.27
Diluted earnings per share ¹	(3.15)	4.22

	Half-year Ended 31 Dec 2025 \$'000	Half-year Ended 31 Dec 2024 \$'000
Net (loss)/ profit for the period	(4,152)	5,036
Basic earnings per share	Number	Number
Weighted average number of issued and paid ordinary shares for the purpose of basic earnings per share	131,919,512	117,983,691
Diluted earnings per share		
Weighted average numbers of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:		
Weighted average number of ordinary shares used in the calculation of basic EPS	131,919,512	117,983,691
Adjustments for the calculation of diluted earnings per share from performance rights and options	-	1,474,023
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share	131,919,512	119,457,714

¹ For period ended 31 December 2025, potentially dilutive securities were excluded from the computation of diluted loss per share because their effect was antidilutive

Notes to the Financial Statements (cont.)

15. Controlled Entities

Name of Subsidiary	Country of Incorporation	Ownership Interest Dec 2025	Ownership Interest Jun 2025
Parent Entity			
Saunders International Limited	Australia		
Subsidiaries			
Saunders Asset Services Pty Ltd	Australia	100%	100%
Saunders Civilbuild Pty Ltd	Australia	100%	100%
Saunders Property (NSW) Pty Ltd	Australia	100%	100%
Saunders PlantWeave Pty Ltd	Australia	100%	100%
Saunders Automation Pty Ltd	Australia	100%	100%
Saunders Piping Solutions Pty Ltd	Australia	100%	100%
Saunders (PNG) Limited	PNG	100%	100%
Saunders International (NZ) Ltd	New Zealand	100%	100%
Saunders Aqua Metro Pty Ltd ¹	Australia	100%	0%
Saunders Aqua Metro Plant Pty Ltd ¹	Australia	100%	0%
Saunders Aqua Metro Services Pty Ltd ¹	Australia	100%	0%

¹ Saunders acquired 100% ownership of Saunders Aqua Metro Pty Ltd, Saunders Aqua Metro Plant Pty Ltd and Saunders Aqua Metro Services Pty Ltd (Aqua Metro group) on 1 July 2025. Please refer to note 17 for details of the acquisition

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Notes to the Financial Statements (cont.)

16. Intangible Assets

	Half-year Ended 31 Dec 2025 \$'000	Full-year Ended 30 Jun 2025 \$'000
Goodwill		
Balance at 1 July	17,392	17,392
Additions through business combinations		
- Aqua Metro group	20,231	-
- ACA adjustment	(274)	-
Other intangibles		
Customer contracts	5,342	-
- Accumulated amortisation	(1,335)	-
Customer relationship	7,759	-
- Accumulated amortisation	(387)	-
Balance at 31 December	48,728	17,392

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

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

The key assumptions used in the calculations include the financial forecasts for the 2026 financial year, revenue growth rates, capital expenditure growth assumptions, a weighted average cost of capital of 11.8% and a terminal growth rate of 2.5%. These assumptions are based on past experience and the Group's forecast operating and financial performance of the CGUs, taking into account current market and economic conditions, risks, uncertainties and opportunities for improvement.

The value-in-use calculations are based on cash flow projections over a five-year forecast period, extrapolated into perpetuity using a long-term growth rate. Cash flow projections in Year 1 are based on the financial forecasts for the 2026 financial year as approved by the Board. Cash flow projections for Years 2-5 assume a growth rate of 5.0% per annum. A terminal growth rate of 2.5% has been applied, consistent with the mid-point of long-term inflation forecasts by recognised bodies. A weighted average cost of capital of 11.8% has been used to determine the present value of future cash flows for the CGUs.

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

New acquisition

In H1 FY2026, the group acquired Aqua Metro group and the total purchase price in excess of net identifiable assets and liabilities have been identified as goodwill (\$20.2 million). Refer note 17 for details of the calculation.

As of the date of these interim financial statements, this purchase price allocation process is ongoing, and the amounts identified and recognised under Note 17 are therefore provisional pending completion of the PPA process. The \$20.2 million goodwill arising from the acquisition represents the expected future economic benefits, including synergies, anticipated future market development, and the assembled workforce, which are not recognised separately as identifiable assets. At the reporting date, customer contracts and customer relationship have been separately identified as other intangible assets.

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

Notes to the Financial Statements (cont.)

17. Acquisition of Subsidiaries

Aqua Metro

On 14 October 2025 Saunders completed the acquisition of the Aqua Metro group which comprised of three entities, Saunders Aqua Metro Pty Ltd, Saunders Aqua Metro Plant Pty Ltd and Saunders Aqua Metro Services Pty Ltd. Aqua Metro group is a leading end-to-end delivery partner for design, engineering, and project execution in the water industry, with broad Victorian reach in both urban and rural areas. Aqua Metro group has established long-term relationships with leading utilities and government agencies and holds positions on four major water authority panels, with a diversified customer base complementary to Saunders' existing operations.

The effective date of acquisition for the Aqua Metro group is 1 July 2025 as under the terms of the Share Sale Agreement, Saunders obtained control at that point in time.

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

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

On completion, the Group paid total cash consideration of \$14.1 million and issued equity consideration of \$7.0 million, comprising 9,478,874 Saunders shares, to the former owner. The equity consideration was issued in two equal tranches of 4,739,437 shares on 16 October 2025 and 25 November 2025, following shareholder approval at the Annual General Meeting.

The cash consideration comprised \$11.0 million of initial cash consideration and a working capital adjustment of \$3.1 million, which was settled in cash at completion.

The contingent consideration of up to \$12 million requires the Group to pay to the former owner up to \$7 million in cash and \$5 million in equity if the earn-out target based on EBIT is achieved in full. The measurement date for the earn out is 30 June 2026 with the payment date expected in H1 FY2027. This has been included in Other Financial Liability within the Condensed Consolidated Statement of Financial Position. The full value of the contingent consideration has been recognised with the expectation that Aqua Metro group will achieve the earn-out EBIT target based on current performance to date. This will be revisited on each reporting date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table. The PPA process is still ongoing, and the amounts disclosed below are therefore provisional pending completion of the PPA process. Refer to note 16.

Notes to the Financial Statements (cont.)

17. Acquisition of Subsidiaries (cont.)

	1 July 2025 \$'000
Cash and cash equivalent balances acquired	10,988
Trade and other receivables	21,689
Property, plant and equipment	1,802
Prepayments, other current assets	1,331
Trade and other payables	(20,128)
Deferred / prepaid revenue	(5,049)
Employee benefits provisions	(1,286)
Tax Liabilities	(5,132)
Other liabilities	(4,472)
Total identified assets acquired and liabilities assumed	(257)
Goodwill	20,231
Customer relationship	7,759
Customer contracts	5,342
Total Consideration	33,075
Satisfied by:	
Cash	14,075
Equity comprising ordinary shares in Saunders International Limited	7,000
Contingent consideration	
- To be settled in cash	7,000
- To be settled in equity	5,000
Total consideration transferred	33,075
Net cash outflow arising on acquisition:	
Cash consideration paid	14,075
Less: cash and cash equivalent balances acquired	10,988
Net cash outflow arising on acquisition in H1 FY2026	3,087

Notes to the Financial Statements (cont.)

18. Fair Value of Financial Instruments

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets, is determined with reference to quoted market prices. The fair value of other financial assets and liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable market transactions. The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models. The Directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised costs in the financial statements approximate their fair value.

The Group has three significant categories of financial instruments which are described below:

(a) Cash and cash equivalents

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

(b) Debtors and credit risk management

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

(c) Bank guarantees and insurance bonds

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

	Half-year Ended 31 Dec 2025 \$'000	Full-year Ended 30 Jun 2025 \$'000
Financial Assets		
Cash and cash equivalents	26,664	22,076
Trade and other receivables	33,280	19,876
Total Financial Assets	59,944	41,952
Financial Liabilities		
Trade and other payables	35,792	20,019
Other financial liabilities	13,284	-
Borrowings	9,416	-
Lease liabilities	10,424	10,423
Total Financial Liabilities	68,916	30,442

19. Borrowings

During the half-year, the Group entered into a new acquisition debt facility with the Commonwealth Bank with a total facility limit of \$10.0 million, of which \$8.0 million was drawn at 31 December 2025. The facility bears interest at a variable rate linked to the bank bill swap rate (BBSY). The facility has a contractual term of seven years, with a review period after three years. The proceeds of the facility were used to fund the acquisition of Aqua Metro Group.

Covenants

The acquisition debt facility is subject to quarterly covenant reporting requirements, including covenants such as the Debt Service Cover Ratio and Adjusted Leverage Ratio targets. The Group has complied with these covenant reporting requirements at 31 December 2025.

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

Directors' Declaration

The Directors of Saunders International Limited declare that:

- a) in the Directors' opinion there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable; and
- b) in the Directors' opinion, the attached financial statements and the accompanying notes are in accordance with the Corporations Act 2001 including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

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Angelo De Angelis,
Managing Director
Sydney, 25 February 2026



Nicholas Yates,
Chair
Sydney, 25 February 2026



Corporate Directory

BOARD OF DIRECTORS

Nicholas Yates

Chair

Angelo De Angelis

Managing Director and Chief Executive Officer

Gregory Fletcher

Non-Executive Director

Andrew Bellamy

Non-Executive Director

AUDITORS

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Commonwealth Bank

Corporate Financial Services

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Hurstville NSW 2220

SHARE REGISTER

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Sydney NSW 2000

Phone (02) 8280 7111

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