

Austin Engineering Limited
Directors' report
For the half-year ended 31 December 2025

The Directors present their report on the Consolidated entity consisting of Austin Engineering Limited ("Company" or "Austin") and the entities it controlled at the end of, or during, the half-year ended 31 December 2025. Throughout the report, the Consolidated entity is referred to as the Group.

Directors

The following persons were Directors of the Company during the half-year to 31 December 2025 and up to the date of this report, unless otherwise stated:

- Jim Walker
- Sybrandt Van Dyk
- David Singleton
- Chris Indermaur
- Linda O'Farrell
- Ian Stone (appointed 1 July 2025)

Director and Executive Changes

Mr David Singleton transitioned from the role of Managing Director and Chief Executive Officer to Non-Executive Director on 30 June 2025. Mr Sybrandt Van Dyk commenced in the role of Executive Director on 1 May 2025 and then Managing Director and Chief Executive Officer effective 1 July 2025.

Financial highlights

	Change	Consolidated	
	%	31 December 2025	31 December 2024*
		\$'000	\$'000
Continuing operations			
Revenue	(3.0)	170,318	175,502
Reported EBITDA (statutory)	(63.0)	7,954	21,526
Profit before tax	(86.4)	2,185	16,013
Profit after tax	(85.4)	1,957	13,383
Basic earnings per share (cents)	(86.0)	0.31	2.21
Net cash generated from / (provided by) operating activities	261.9	6,571	(4,058)

* Balances for prior period have been restated to reflect prior period adjustment and re-presented to ensure consistency with current period presentation and mapping, and to reflect representation of discontinued operations. Refer to note 10 and note 11 for further details.

Review of continuing operations

The Group's total revenue in the period was slightly below the revenue in the prior corresponding period ("pcp") at \$170.318 million. The growth in revenue in North America was offset by the reduction in revenue in APAC and South America. Revenue in North America grew by 12.5%, while revenue in APAC and South America declined by 11.8% and 11.5 % respectively in comparison to the pcp.

The Group reports results from continuing operations with earnings before interest, tax, depreciation and amortisation ("EBITDA") of \$7.954 million (H1 FY25: \$21.526 million) and EBITDA margin of 4.7% (H1 FY25: 12.3%). EBITDA margins were lower than the same period in FY2025 predominantly due to additional costs relating to restructure of the South American business, significant increase in use of sub-contractors to meet the increased demand in North America and write down in the value of raw material and work in progress inventory.

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The Group's net profit after tax ("NPAT") from continuing operations of \$1.957 million, a decrease of 85.4% on pcp (\$13.383 million) and includes:

- Finance cost of \$0.795 million against the pcp of \$1.135 million,
- Depreciation & amortisation cost of \$4.974 million compared to pcp of \$4.378 million,
- Tax expenses of \$0.228 million compared to pcp of \$2.630 million.

Operating cashflow from continuing operations was positive at \$6.571 million as compared to a cash outflow from operating activities in the prior comparative period.

Net debt position of \$18.217 million at 31 December 2025, excludes the application of AASB 16: Leases of \$17.424 million (FY25: \$19.368 million) compared with a net debt position of \$12.836 million at 30 June 2025.

Events after the reporting date

On 25 February 2026, the Board approved transfer of \$11.683 million to the profit reserve out of the Company's profit for the 6 months to December 2025. On the same day the Board approved an interim dividend of 0.3 cents per fully paid ordinary share. There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, 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.

Going concern basis for preparation

The Directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors confirm that at the date of signing the financial statements, there are reasonable and supportable grounds to believe the Group will have sufficient funds to meet their obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate.

Lead Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

This report is made in accordance with a resolution of Directors.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.



Jim Walker
Non-Executive Chair
Perth
25 February 2026

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF AUSTIN ENGINEERING LIMITED

As lead auditor for the review of Austin Engineering Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Austin Engineering Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit Pty Ltd
Perth
25 February 2026

Austin Engineering Limited
For the half-year ended 31 December 2025

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Austin Engineering Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Notes	Consolidated 31 December 2025 \$'000	31 December 2024* \$'000
Revenue from continuing operations	3	170,318	175,502
Other income		674	282
Raw materials and consumables used		(64,230)	(68,051)
Employment expenses		(48,463)	(38,837)
Subcontractor expenses		(35,016)	(30,027)
Depreciation expense		(4,293)	(3,752)
Amortisation expense		(681)	(626)
Production operational expenses		(4,494)	(7,080)
Gain from disposal of property, plant and equipment		57	58
Other expenses	4	(9,694)	(10,321)
Finance costs		(795)	(1,135)
Inventory obsolescence		(1,198)	-
Profit before income tax		2,185	16,013
Income tax expense		(228)	(2,630)
Profit from continuing operations		1,957	13,383
Loss from discontinued operations		(129)	(214)
Profit for the period		1,828	13,169
Other comprehensive income			
<i>Item that may be reclassified to profit or loss</i>			
Foreign currency translation differences, net of tax		(1,446)	4,065
Other comprehensive income/(loss) for the period		(1,446)	4,065
Total comprehensive income for the period		382	17,234
Profit is attributable to:			
Owners of Austin Engineering Limited		1,828	13,169
Total comprehensive income for the period is attributable to:			
Owners of Austin Engineering Limited		382	17,234
		Cents	Cents
Earnings per share from continuing operations attributable to the owners of Austin Engineering Limited:			
Basic earnings per share	6	0.31	2.21
Diluted earnings per share	6	0.31	2.15
Earnings per share from continuing and discontinued operations attributable to owners of Austin Engineering Limited:			
Basic earnings per share	6	0.29	2.17
Diluted earnings per share	6	0.29	2.12

* Balances for prior period have been restated to reflect prior period adjustment and re-presented to ensure consistency with current period presentation and mapping, and to reflect representation of discontinued operations. Refer to note 10 and note 11 for further details.

The above Consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Austin Engineering Limited
Consolidated statement of financial position
As at 31 December 2025

		Consolidated 31 December 2025 \$'000	30 June 2025 \$'000
	Notes		
Current assets			
Cash and cash equivalents		15,813	20,060
Trade and other receivables		45,683	62,361
Contract assets		1,988	2,874
Inventories	5	81,525	87,919
Current tax assets		2,939	2,526
Finance lease receivable		8,718	8,948
Other assets		6,676	6,749
		163,342	191,437
Assets classified as held for sale		945	913
Total current assets		164,287	192,350
Non-current assets			
Property, plant and equipment		48,534	48,436
Intangible assets		24,966	25,667
Deferred tax assets		12,297	11,778
Right-of-use assets		10,640	16,336
Finance lease receivable		12,586	8,562
Other non-current assets		192	200
Total non-current assets		109,215	110,979
Total assets		273,502	303,329
Current liabilities			
Trade and other payables		54,539	69,601
Contract liabilities		16,480	23,582
Financial liabilities	8	34,030	16,563
Current tax liabilities		394	813
Provisions		7,850	8,852
Lease liabilities		4,743	4,434
Total current liabilities		118,036	123,845
Non-current liabilities			
Contract liabilities		787	1,928
Financial liabilities	8	-	16,333
Provisions		1,699	2,271
Lease liabilities		12,681	14,933
Total non-current liabilities		15,167	35,465
Total liabilities		133,203	159,310
Net assets		140,299	144,019
Equity			
Share capital	9	161,188	160,171
Retained earnings		18,745	22,502
Reserves		(39,634)	(38,654)
Total equity		140,299	144,019

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Austin Engineering Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Notes	Contributed equity \$'000	Share based payment reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
Opening balance at 1 July 2024 as originally reported		155,952	4,028	(20,417)	(9,219)	130,344
Correction of error (net of tax)				149	(7,582)	(7,433)
Opening balance at 1 July 2024 (Restated)*		155,952	4,028	(20,268)	(16,801)	122,911
Total comprehensive income for the period:						
Profit for the half-year		-	-	-	13,169	13,169
Other comprehensive income:						
Currency translation differences		-	-	4,065	-	4,065
Total comprehensive income for the period, net of tax		-	-	4,065	13,169	17,234
Transactions with owners in their capacity as owners:						
Shares issued under dividend reinvestment plan (net of share issue costs)	6	323	-	-	(323)	-
Share-based payments		-	1,068	-	-	1,068
Conversion of performance rights and options	9	3,724	(3,724)	-	-	-
Dividends provided for or paid		-	-	-	(4,632)	(4,632)
		4,047	(2,656)	-	(4,955)	(3,564)
Balance at 31 December 2024		159,999	1,372	(16,203)	(8,587)	136,581
Opening balance at 1 July 2025		160,171	1,110	(39,764)	22,502	144,019
Total comprehensive income for the period:						
Profit for the half-year		-	-	-	1,828	1,828
Other comprehensive income:						
Currency translation differences		-	-	(1,446)	-	(1,446)
Total comprehensive income for the period, net of tax		-	-	(1,446)	1,828	382
Transactions with owners in their capacity as owners:						
Shares issued under dividend reinvestment plan (net of share issue costs)	6	270	-	-	(270)	-
Share-based payments		-	466	-	-	466
Buy back of shares (net of share issue costs)	9	(1,239)	-	-	-	(1,239)
Issue of shares for Mainetec acquisition	9	1,986	-	-	-	1,986
Conversion of performance rights		-	-	-	-	-
Dividends provided for or paid		-	-	-	(5,315)	(5,315)
		1,017	466	-	(5,585)	(4,102)
Balance at 31 December 2025		161,188	1,576	(41,210)	18,745	140,299

* Balances for prior period have been restated to reflect prior period adjustment. Refer to note 10 and note 11 for further details.

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Austin Engineering Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2025

	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
Cash flows from operating activities		
Receipts from customers	182,091	162,701
Payments to suppliers and employees	(173,074)	(161,729)
Interest received	879	693
Finance costs	(1,674)	(1,733)
Income tax refund	234	-
Income tax paid	(1,856)	(4,283)
Net cash provided by / (used in) operating activities	6,600	(4,351)
Cash flows from investing activities		
Payments for property, plant and equipment	(3,411)	(6,134)
Payments for intangibles	(52)	(8)
Proceeds from sale of property, plant and equipment and assets held for sale	6	4
Final deferred payment for acquisition of subsidiary	-	(3,499)
Net cash used in investing activities	(3,457)	(9,637)
Cash flows from financing activities		
Proceeds from borrowings	9,000	2,000
Repayment of borrowings	(7,926)	(1,824)
Repayment of lease liabilities	(2,303)	(2,294)
Dividends paid to shareholders	(5,315)	(4,633)
Payment for buyback of shares	(1,239)	-
Net cash used in financing activities	(7,783)	(6,751)
Net decrease in cash and cash equivalents	(4,640)	(20,739)
Cash and cash equivalents at the beginning of the period	20,060	40,193
Effects of exchange rate changes on cash and cash equivalents	393	734
Cash and cash equivalents at end of period	15,813	20,188

Refer note 10 for cash flows on discontinued operations.

The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Austin Engineering Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2025

1 Basis of preparation of half-year financial statements

These general purpose consolidated financial statements for the half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2025 and any public announcements made by Austin Engineering Limited ("Austin") during the half-year reporting period in accordance with the continuous disclosure requirements of the Australian Securities Exchange and *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going concern basis of preparation

The Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors believe that at the date of signing the financial statements, there are reasonable and supportable grounds to believe the Group will have sufficient funds to meet their obligations as and when they fall due and are of the opinion that the use of the going concern basis of preparation remains appropriate.

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Austin Engineering Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2025

2 Segment information

Management has determined that the strategic operating segments comprise of Asia-Pacific (for mining equipment, other products and repair and maintenance services located in Australia and Indonesia), North America (for mining equipment and other products located in the USA) and South America (currently Chile for mining equipment, other products and repair and maintenance services located in South America).

Executive management monitors segment performance based on EBITDA from continuing operations. Segment information for the period ended 31 December 2025 and 31 December 2024 is as follows:

	Asia-Pacific		North America		South America		Unallocated		Total	
	HY26 \$'000	HY25* \$'000	HY26 \$'000	HY25* \$'000	HY26 \$'000	HY25* \$'000	HY26 \$'000	HY25 \$'000	HY26 \$'000	HY25 \$'000
Continuing operations										
Total segment revenue from external customers	70,554	80,017	71,492	63,557	28,272	31,928	-	-	170,318	175,502
Cost of sales	41,872	48,491	54,736	45,207	29,861	25,342	-	-	126,469	119,040
EBITDA from continuing operations	10,588	13,662	4,174	8,756	(4,122)	3,026	(2,686)	(3,918)	7,954	21,526
Profit / (loss) before tax	7,191	10,137	3,079	7,716	(3,839)	3,284	(4,246)	(5,124)	2,185	16,013
Other segment information										
Depreciation and amortisation	3,189	2,966	1,114	845	365	342	306	225	4,974	4,378
Impairment	134	-	194	-	870	-	-	-	1,198	-
Continuing and discontinued operations										
Total segment assets - 31 December	110,015	140,609	64,004	74,497	79,868	86,468	19,615	16,477	273,502	318,061
Total segment assets - 30 June	122,096	121,286	76,678	65,687	82,193	70,050	22,362	28,543	303,329	285,566
Total assets include:										
Additions to non-current assets (other than financial assets and deferred tax)	1,372	7,419	1,034	6,500	1,204	221	79	407	3,689	14,547
Total segment liabilities - 31 December	59,116	86,654	28,261	44,464	15,330	24,129	30,496	26,234	133,203	181,481
Total segment liabilities - 30 June	65,144	75,966	45,387	36,003	15,881	17,496	32,898	33,191	159,310	162,656

*Balances for prior period have been restated to reflect prior period adjustment and re-presented to ensure consistency with current period presentation and mapping, and to reflect representation of discontinued operations. Refer to note 10 and note 11 for further details.

Asset and liability amounts are measured in the same way that they are measured in the financial statements. Segment assets and liabilities are allocated based on the operations of the segment and the physical location of the assets and liabilities. Unallocated amounts include Head office balances that have not been allocated to the operating segments.

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The reconciliation of EBITDA to profit before income tax is as follows:

	Continuing and discontinued operations		Continuing operations	
	31 December 2025	31 December 2024*	31 December 2025	31 December 2024*
	\$'000	\$'000	\$'000	\$'000
Reported EBITDA	7,849	21,325	7,954	21,526
Depreciation expense	(4,317)	(3,765)	(4,293)	(3,752)
Amortisation expense	(681)	(626)	(681)	(626)
Finance costs	(795)	(1,135)	(795)	(1,135)
Profit before income tax	2,056	15,799	2,185	16,013

*Prior period numbers have been restated to reflect prior period adjustment and re-presented to ensure consistency with current period presentation and mapping, and to reflect representation of discontinued operations. Refer to note 10 and note 11 for further details.

3 Revenue

	Consolidated	
	31 December 2025	31 December 2024
	\$'000	\$'000
Revenue from contracts with customers	170,318	175,502
Total revenue from continuing operations	170,318	175,502

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following types and geographical regions:

Revenue from contracts with customers	Asia-Pacific		North America		South America		Total	
	HY26	HY25	HY26	HY25	HY26	HY25	HY26	HY25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sale of Goods								
Truck Bodies	26,843	47,116	68,407	58,052	14,294	16,283	109,544	121,451
Buckets	16,860	2,690	1,329	3,592	-	-	18,189	6,282
Other Goods	17,239	14,813	1,743	1,901	2,636	2,124	21,618	18,838
Total Sale of Goods	60,942	64,619	71,479	63,545	16,930	18,407	149,351	146,571
Services								
Total Services	9,612	15,398	13	12	11,342	13,521	20,967	28,931
Revenue from contracts with customers	70,554	80,017	71,492	63,557	28,272	31,928	170,318	175,502
Timing of Revenue Recognition								
At a point in time	60,942	64,619	71,479	63,545	16,930	18,407	149,351	146,571
Over time	9,612	15,398	13	12	11,342	13,521	20,967	28,931
Revenue from contracts with customers	70,554	80,017	71,492	63,557	28,272	31,928	170,318	175,502

Austin Engineering Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2025

4 Other expenses

	Consolidated	
	31 December	31 December
	2025	2024
	\$'000	\$'000
Consultancy	2,942	2,564
Insurance costs	1,641	1,646
Administration costs	1,655	1,464
Information technology costs	1,384	918
Travel expenses	917	928
Other expenses	1,155	2,801
Balance at the end of the period	9,694	10,321

5 Inventories

	Consolidated	
	31 December	30 June
	2025	2025
	\$'000	\$'000
At cost:		
Raw materials and consumables	35,340	41,104
Work in progress	36,092	40,385
Finished goods	10,093	6,430
Balance at the end of the period	81,525	87,919

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6 Earnings per share

	Consolidated	
	31 December 2025	31 December 2024*
	Cents	Cents
Basic earnings per share		
From continuing operations	0.31	2.21
From discontinued operations	(0.02)	(0.04)
Total basic earnings per share	0.29	2.17
Diluted earnings per share		
From continuing operations	0.31	2.15
From discontinued operations	(0.02)	(0.03)
Total diluted earnings per share	0.29	2.12
Reconciliation of earnings to profit	\$ '000	\$ '000
From continuing operations	1,957	13,383
From discontinued operations	(129)	(214)
Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	1,828	13,169

*Restated to reflect prior period adjustment and representation of discontinued operations. Refer to note 10 and note 11 for further details.

	Number of Shares	Number of Shares
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used in calculating basic earnings per share	622,657,847	606,879,065
Effect of dilutive securities - share based performance rights and options	7,059,596	15,623,014
Used to calculate diluted earnings per share	629,717,443	622,502,079

Austin Engineering Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2025

7 Dividends

Recognised amounts	Consolidated	
	31 December 2025	31 December 2024
	\$'000	\$'000
Fully franked dividend for the year ended 30 June 2025 of 0.9 cents per share, paid on 6 October 2025	5,585	-
Fully franked dividend for the year ended 30 June 2024 of 0.8 cents per share, paid on 7 October 2024	-	4,955
Total Recognised amounts	5,585	4,955

A portion of shareholders participated in the Dividend Reinvestment Plan in respect of \$0.27 million. The cash outflow of the above dividends for the half year 2025 was \$5.315 million.

Franking credits	Consolidated	
	31 December 2025	31 December 2024
	\$'000	\$'000
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2025 - 30.0%)	15,779	19,768

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- (a) franking credits that will arise from the payment of the amount of the provision for income tax;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

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8 Financial liabilities

	Consolidated			
	31 December 2025		30 June 2025	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Secured liabilities				
<i>Facilities associated with continuing operations</i>				
Bank borrowings (i)	34,002	-	16,522	16,333
Hire purchase liabilities	28	-	41	-
Balance at the end of the period	34,030	-	16,563	16,333

(i) Bank borrowings:

On 19 February 2025, the Group amended its existing borrowing facility with HSBC. The key terms of the facility include a combination of a term loan facility of \$30.750 million, a multi option line of \$22.0 million and \$4.570 million of transaction negotiation authority and corporate card facilities expiring on 30 November 2026. The facility has a number of financial covenants being, a borrowing base ratio > 1.00, interest cover ratio > 4 times, leverage ratio < 2.25 times and debt service cover ratio of >1.5. As at 31 December 2025, the Group has complied with all covenants.

The term loan balance at 31 Dec 2025 was \$21.0 million (2025: \$28.0 million).

9 Equity - issued capital

	31 December 2025		30 June 2025	
	Number of shares	\$'000	Number of shares	\$'000
Ordinary shares				
Opening balance	620,530,277	160,171	586,555,743	155,952
Conversion of performance rights and options	-	-	32,964,479	3,724
Share issued for dividend reinvestment plan (net of share issue costs)	933,248	270	1,010,055	495
Shares issued for non-cash consideration	6,620,698	1,986	-	-
Buy back of shares	(5,633,152)	(1,239)	-	-
Balance at end of the period	622,451,071	161,188	620,530,277	160,171

On 9 September 2024, 42,900,000 options were converted into 32,509,223 ordinary shares for the Chief Executive Officer and Managing Director, David Singleton, at an exercise price of nil.

On 12 September 2024, 1,050,000 options were converted into 321,534 ordinary shares for the Chief Operating Officer, Vincent D'Rozario, at an exercise price of nil.

On 7 October 2024, 624,877 ordinary shares were issued as part of the Dividend Reinvestment Plan at a price of \$0.515 per share.

9 Equity - issued capital (continued)

On 15 October 2024, 133,722 performance rights were converted into 133,722 ordinary shares at an exercise price of \$0.525 per share. These conversions were made in accordance with the terms of the Group's performance rights plan.

On 9 April 2025, 385,178 ordinary shares were issued as part of the Dividend Reinvestment Plan at a price of \$0.448 per share.

On 6 October 2025, 933,248 ordinary shares were issued as part of the Dividend Reinvestment Plan at a price of \$0.289 per share.

On 15 October 2025, pursuant to the terms of earn-out arrangements under the Share Sale Deed for Mainetec acquisition, as announced to ASX on 23 August 2022, 6,620,698 ordinary shares were issued at a price of \$0.300 per share.

Pursuant to the announcement dated 25 September 2025 for the on-market share buyback, the Group has bought back 5,633,152 shares between 10 October 2025 and 31 December 2025.

10 Discontinued operations

(a) Discontinued operations

During the 2022 and prior years, the Group closed its operation in Peru and Canada including, retrenching staff, transferring assets to other Austin business units and disposing of assets. The decision to discontinue the operations was made based on the current and future expected market conditions in Peru and Canada as well as the overall Group strategy and hub and spoke model. Following the discontinuation of the Canadian operations in FY2022, the Canadian right-of-use (ROU) property asset was impaired by \$2.3 million in FY2023 based on the estimated settlement price for exiting the lease arrangement. The carrying value of the remaining assets of \$3.3 million and associated lease liability of \$4.4 million was reclassified as an asset held for sale in the FY2023 financial statements.

In June 2025, following the change in intention to exit the lease arrangement with the lessor, the Canadian operations were treated as continuing operations. The leased property asset was recognised as ROU asset as at 30 June 2025.

The sublease term commenced on 1 July 2025 and covers the remaining term of the head lease arrangement until 31 October 2031. The sublease is classified as a finance lease from 1 July 2025 since:

- The sublease transfers substantially all the risks and rewards associated with the initial ROU asset.
- The lease term covers the remaining economic life of the initial ROU asset.
- The present value of sublease payments amount to substantially all of the fair value of the ROU asset.

The right of use asset associated with the head lease agreement, (previously classified as an asset held for sale), has been derecognised on 1 July 2025 and a lease receivable is recognised, measured at the net investment in the sublease. Interest income on the sublease will be recognised over the sublease term using the effective interest method. A gain of \$0.072 million on remeasurement of the leased asset was recognised as other income during the period.

Austin Engineering Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2025

10 Discontinued operations (continued)

The results of Austin Engineering Peru SAC, Austin Ingenieros Colombia S.A.S. and Chile crane business continue to be disclosed as discontinued operations. The comparative profit / (loss) and cash flows from discontinued operations for the period are set out below.

	31 December 2025 \$'000	31 December 2024* \$'000
Revenue	-	-
Expenses	(129)	(214)
Income tax expense	-	-
(Loss) from discontinued operations	(129)	(214)
Net cash (outflow) from operating activities	29	(293)
Net cash (outflow) from investing activities	-	-
Net cash inflow from financing activities including related party funding	-	321
Net increase / (decrease) in cash generated by discontinued operations	29	28

*Restated for representation of discontinued operations. Refer to note 11 for further details.

The cash inflows from operating activities included \$0.155 million funded by other entities within the Group. (2024: \$0.321 million) is reflected within cash inflow from financing activities.

The assets relating to Peruvian operations are presented as assets held for sale. See (b) below.

(b) Assets and liabilities classified as held for sale

The Group intends to continue to dispose properties and equipment that it no longer requires in the next twelve months. The properties and equipment are in Peru.

	31 December 2025 \$'000	31 December 2024 \$'000
Land and Building - Peru	945	913

The movement in assets classified as held for sale during the financial year is disclosed below:

	31 December 2025 \$'000	31 December 2024* \$'000
Opening assets classified as held for sale	913	3,386
Transfers to right of use assets	-	(4,231)
Writeback of impairment on assets held for sale	-	2,307
Depreciation on assets held for sale transferred to continuing operations during the year	-	(661)
Exchange differences	32	112
Closing assets classified as held for sale	945	913

*2024 comparative numbers have been represented for reclassification from asset held for sale to right of use asset.

11 Restatement of comparatives

During the financial year ended 30 June 2025, the Group undertook a review of its revenue recognition practices within its Chilean operations, with a particular focus on the timing of revenue recognition for a key customer arrangement. As a result of this review, the Group determined that revenue had been recognised prior to the satisfaction of the relevant performance obligations, which was not consistent with the requirements of Australian Accounting Standards.

The error primarily related to the timing of revenue recognition and resulted in an overstatement of revenue and profit in prior reporting periods.

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the Group corrected the prior-period error retrospectively in its 30 June 2025 annual financial statements, with comparative information restated to reflect the corrected revenue recognition.

Consistent with the requirements of AASB 134 Interim Financial Reporting, the Group has applied the same accounting policies and correction of errors in preparing this half-year financial report.

In addition to the restatement, as noted in note 10, the Austin Canada operations, previously considered discontinued are now included as part of continuing operations. Prior year comparative information has also been represented to reflect this change as noted in the table below. Refer to June 2025 financial statements for further details relating to the restatement.

Austin Engineering Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2025

11 Restatement of comparatives (continued)

Impact on presentation of the Statement of profit or loss and other comprehensive income for the period
1 July 2024 to 31 December 2024

	Notes	2024	2024	2024	2024	2024	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		Reported	Profit increase/ (decrease)	Restated	Adjustment to represent loss from continuing operations	to Reclassification to ensure consistency with current year	Restated after mapping changes
Revenue from continuing operations	3	170,152	5,350	175,502	-		175,502
Other income		1,310	-	1,310	-	(1,028)	282
Expenses							
Raw materials and consumables used		(59,594)	(1,430)	(61,024)	-	(7,027)	(68,051)
Employment expenses		(38,278)	(580)	(38,858)	-	21	(38,837)
Subcontractor expenses		(30,027)	-	(30,027)	-	-	(30,027)
Occupancy and utility expenses		(3,551)	-	(3,551)	-	3,551	-
Depreciation expense		(4,353)	-	(4,353)	(24)	(1)	(4,378)
Production operational expenses		(10,269)	(195)	(10,464)	(71)	3,455	(7,080)
Other expenses	4	(11,330)	-	(11,330)	(19)	1,028	(10,321)
Profit from disposal of property, plant and equipment		58	-	58	-	-	58
Finance costs		(929)	-	(929)	(207)	1	(1,135)
Profit before income tax from continuing operation		13,189	3,145	16,334	(321)	-	16,013
Income tax expense		(2,630)	-	(2,630)	-	-	(2,630)
Profit after income tax expense from continuing operation		10,559	3,145	13,704	(321)	-	13,383
Loss from discontinued operation	10	(535)	-	(535)	321	-	(214)
Profit after income tax expense for the year		10,024	3,145	13,169	-	-	13,169
Foreign currency translation differences, net of tax							
Foreign		4,065	-	4,065	-	-	4,065
Total comprehensive income for the year		14,089	3,145	17,234	-	-	17,234
Profit for the year is attributable to:							
Owners of Austin Engineering Limited		10,024	-	13,169	-	-	13,169
Total comprehensive income for the year is attributable to:							
Owners of Austin Engineering Limited		14,089	-	17,234	-	-	17,234

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Austin Engineering Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2025

11 Restatement of comparatives (continued)

Impact on presentation of the Statement of profit or loss and other comprehensive income for the period
1 July 2024 to 31 December 2024 (continued)

	Notes	2024 \$'000 Reported	2024 \$'000 Profit increase/(d ecrease)	2024 \$'000 Restated	2024 \$'000 Adjustment to represent loss from continuing operations	2024 \$'000 Restated
		Cents Reported	Cents Adjustment	Cents Restated	Cents Adjustment	Cents Restated
Earnings per share from continuing operations attributable to the owners of Austin Engineering Limited:						
Basic earnings per share (cents per share)	6	1.74	0.52	2.26	(0.05)	2.21
Diluted earnings per share (cents per share)	6	1.70	0.51	2.21	(0.05)	2.16
Earnings per share from discontinued operations attributable to owners of Austin Engineering Limited:						
Diluted earnings per share (cents per share)	6	(0.09)	-	(0.09)	0.05	(0.04)
Diluted earnings per share (cents per share)	6	(0.09)	-	(0.09)	0.05	(0.04)
Earnings per share attributable to owners of Austin Engineering Limited:						
Basic earnings per share (cents per share)	6	1.65	(0.52)	2.17	-	2.17
Diluted earnings per share (cents per share)	6	1.61	(0.51)	2.12	-	2.12

Impact on presentation of Statement of financial position as at 30 June 2024

Extract

	2024 \$'000 Reported	2024 \$'000 Adjustment	2024 \$'000 Restated
Current assets			
Inventories	70,381	4,742	75,123
Total current assets	185,356	4,742	190,098
Non-current assets			
Finance lease receivables	17,756	(12,175)	5,581
Total non-current assets	107,644	(12,175)	95,469
Total assets	293,000	(7,433)	285,567
Liabilities			
Current liabilities	150,659	-	150,659
Non-Current liabilities	11,997	-	11,997
Total liabilities	162,656	-	162,656
Net assets	130,344	(7,433)	122,911
Equity			
Accumulated losses	(9,219)	(7,582)	(16,801)
Reserves	(16,389)	149	(16,240)
Total equity	130,344	(7,433)	122,911

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11 Restatement of comparatives (continued)

Impact on presentation of Statement of financial position as at 31 December 2024

Extract

	Dec 2024 \$'000	Jun 2024 \$'000	Dec 2024 \$'000	Dec 2024 \$'000
	Reported	Opening balance adjustment	Adjustment	Restated
Current assets				
Inventories	96,689	4,742	(2,203)	99,228
Total current assets	205,437	4,742	(2,203)	207,975
Non-current assets				
Finance lease receivables	16,189	(12,175)	5,348	9,362
Total non-current assets	116,913	(12,175)	5,348	110,086
Total assets	322,349	(7,433)	3,145	318,061
Liabilities				
Current liabilities	164,024	-	-	164,024
Non-Current liabilities	17,457	-	-	17,457
Total liabilities	181,481	-	-	181,481
Net assets	140,869	(7,433)	3,145	136,581
Equity				
Accumulated losses	(4,150)	(7,582)	3,145	(8,587)
Reserves	(11,326)	149	-	(11,177)
Total equity	140,869	(7,433)	3,145	136,581

12 Key management personnel

On 1 July 2025, the Company announced appointment of Mr Ian Stone as an independent Non-Executive Director with remuneration of \$112,450 per annum inclusive of superannuation entitlements. On 6 November 2025, Mr Sy Van Dyk (CEO) was granted 3,673,581 options with an exercise price of \$0.321. These options have not been formally issued as at the date of signing of the financial report.

13 Contingent liabilities

From time to time, the Group receives legal claims from former employees. The Directors are of the opinion that the likelihood of economic loss for the Group from claims pending at the reporting date is low and that the potential quantum of these claims is not material.

Other than the matters noted above and any guarantees that are issued to third parties arising out of dealings in the normal course of business, there are no contingent liabilities.

14 Events occurring after the reporting period

On 25 February 2026, the Board approved transfer of \$11.683 million to the profit reserve out of the Company's profit for the 6 months to December 2025. On the same day the Board approved an interim dividend of 0.3 cents per fully paid ordinary share. There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, 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.

Austin Engineering Limited
Directors' declaration
For the half-year ended 31 December 2025

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial period ended on that date, and
- (b) there are reasonable grounds to believe that Austin Engineering Limited will be able to pay its debt as and when they become due and payable.

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



Jim Walker
Non-Executive Chair
Perth
25 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Austin Engineering Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Austin Engineering Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. 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 Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the 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 responsibility for the review of the 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 financial 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.

BDO Audit Pty Ltd

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Dean Just

Director

Perth, 25 February 2026

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