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PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Amounts expressed in thousands of Australian Dollar (“AU\$”) currency)
These statements have not been audited.

| | GROUP | | +/(-) | GROUP | | +/(-) |
|---|--------------|----------------|--------------|---------------|----------------|--------------|
| | 3Q 2021 | 3Q 2020 | % | 9M 2021 | 9M 2020 | % |
| | AU\$'000 | AU\$'000 | | AU\$'000 | AU\$'000 | |
| Revenue | 50,721 | 66,091 | (23.3) | 138,970 | 224,824 | (38.2) |
| Cost of sales | (45,645) | (63,706) | (28.4) | (125,359) | (210,950) | (40.6) |
| Gross profit | 5,076 | 2,385 | 112.8 | 13,611 | 13,874 | (1.9) |
| Gross margin | 10.0% | 3.6% | | 9.8% | 6.2% | |
| Other operating income | 234 | 17 | N.M. | 170 | 778 | (78.1) |
| Other operating costs | (1,997) | (1,794) | 11.3 | (5,892) | (6,003) | (1.8) |
| Administrative expenses | (1,017) | (1,263) | (19.5) | (2,793) | (4,356) | (35.9) |
| Impairment of receivables | (3) | (59) | (94.9) | (207) | (416) | (50.2) |
| Marketing and distribution expenses | (538) | (325) | 65.5 | (738) | (1,102) | (33.0) |
| Profit/(loss) from operations | 1,755 | (1,039) | N.M. | 4,151 | 2,775 | 49.6 |
| Finance costs | (1,560) | (1,915) | (18.5) | (2,788) | (4,382) | (36.4) |
| Profit/(loss) before income tax | 195 | (2,954) | N.M. | 1,363 | (1,607) | N.M. |
| Income tax expense | (93) | (263) | (64.6) | (278) | (837) | (66.8) |
| Net profit/(loss) for the period | 102 | (3,217) | N.M. | 1,085 | (2,444) | N.M. |
| Net profit/(loss) % | 0.2% | (4.9%) | | 0.8% | (1.1%) | |
| Earnings/(loss) per ordinary share attributable to equity holders of the Company (AU\$ cents per share) | | | | | | |
| - basic | 0.00 | (0.11) | | 0.04 | (0.08) | |
| - diluted | 0.00 | (0.11) | | 0.04 | (0.08) | |

N.M. not meaningful

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

| | GROUP | | +/(-) | GROUP | | +/(-) |
|--|------------|----------------|-------|--------------|----------------|-------|
| | 3Q 2021 | 3Q 2020 | % | 9M 2021 | 9M 2020 | % |
| | AU\$'000 | AU\$'000 | | AU\$'000 | AU\$'000 | |
| Profit/(loss) for the period | 102 | (3,217) | N.M. | 1,085 | (2,444) | N.M. |
| Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Currency translation differences | 676 | (5,127) | N.M. | 4,236 | (5,965) | N.M. |
| Other comprehensive income / (loss) for the period | 676 | (5,127) | N.M. | 4,236 | (5,965) | N.M. |
| Total comprehensive profit / (loss) for the period | 778 | (8,344) | N.M. | 5,321 | (8,409) | N.M. |

(ii) NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

A. PROFIT/(LOSS) FROM OPERATIONS

The following items have been included in determining the profit/(loss) before taxation

| | GROUP | | +/(-) | GROUP | | +/(-) |
|---|--------------|--------------|---------------|--------------|--------------|---------------|
| | 3Q 2021 | 3Q 2020 | % | 9M 2021 | 9M 2020 | % |
| | AU\$'000 | AU\$'000 | | AU\$'000 | AU\$'000 | |
| Other operating income | | | | | | |
| Interest income | 8 | 30 | (73.3) | 62 | 74 | (16.2) |
| Profit/(loss) on sale of property, plant and equipment | 196 | 116 | 69.0 | (27) | 451 | N.M. |
| Other income | 32 | 36 | (11.1) | 141 | 252 | (44.0) |
| Foreign exchange (loss)/gain | (2) | (165) | N.M. | (6) | 1 | N.M. |
| Total other operating income | 234 | 17 | N.M. | 170 | 778 | N.M. |
| Amortisation and depreciation | | | | | | |
| Depreciation of property, plant & equipment included in cost of sales | 760 | 1,149 | (33.9) | 2,330 | 2,951 | (21.0) |
| Depreciation of right-of-use assets included in cost of sales | 286 | 174 | 64.4 | 673 | 511 | 31.7 |
| Amortisation of other intangible assets included in cost of sales | 78 | 200 | (61.0) | 232 | 599 | (61.3) |
| Depreciation of property, plant & equipment included in administrative expenses | 231 | 393 | (41.2) | 743 | 1,237 | (39.9) |
| Depreciation of right-of-use assets included in administrative expenses | 406 | 311 | 30.5 | 1,210 | 1,291 | (6.3) |
| Amortisation of other intangible assets included in administrative expenses | 142 | 98 | 44.9 | 408 | 286 | 42.7 |
| Total amortisation and depreciation | 1,903 | 2,325 | (18.2) | 5,596 | 6,875 | (18.6) |
| Employee share and share option scheme expense | - | 101 | N.M. | - | 304 | N.M. |
| Redundancy cost associated with restructuring | - | 693 | N.M. | - | 693 | N.M. |

N.M. not meaningful

B. FINANCE COSTS

| | GROUP | | + / (-) % | GROUP | | + / (-) % |
|--|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| | 3Q 2021 AU\$'000 | 3Q 2020 AU\$'000 | | 9M 2021 AU\$'000 | 9M 2020 AU\$'000 | |
| Note interest | 763 | 757 | 0.8 | 2,112 | 1,967 | 7.4 |
| Bank and other interest | 86 | 375 | (77.1) | 258 | 629 | (59.0) |
| Shareholder loan interest | 117 | (281) | N.M. | 371 | (14) | N.M. |
| Bank fees | 12 | 9 | 33.3 | 24 | 82 | (70.7) |
| Bank guarantee fees | 7 | 31 | (77.4) | 39 | 186 | (79.0) |
| Lease-related interest expenses | 262 | 244 | 7.4 | 764 | 752 | 1.6 |
| Foreign exchange loss / (gain) on shareholder loan | 313 | 780 | (59.9) | (780) | 780 | (200.0) |
| Total finance costs | 1,560 | 1,915 | (18.5) | 2,788 | 4,382 | (36.4) |

N.M. not meaningful

C. INCOME TAX EXPENSE

| | GROUP | | | GROUP | | |
|---------------------------------|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| | 3Q 2021 AU\$'000 | 3Q 2020 AU\$'000 | | 9M 2021 AU\$'000 | 9M 2020 AU\$'000 | |
| Current income tax expense | (63) | - | N.M. | (188) | - | N.M. |
| Current withholding tax expense | (30) | (263) | (88.6) | (90) | (837) | (89.2) |
| Total income tax expense | (93) | (263) | (64.6) | (278) | (837) | (66.8) |

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| | Group As at 31/03/2021 AU\$'000 | Group As at 30/06/2020 AU\$'000 | Company As at 31/03/2021 AU\$'000 | Company As at 30/06/2020 AU\$'000 |
|---|--|--|--|--|
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 11,272 | 22,801 | 76 | 563 |
| Trade receivables and contract assets | 46,016 | 34,698 | - | - |
| Other receivables and prepayments | 3,844 | 4,711 | 398 | 760 |
| Inventories | 3,021 | 3,880 | - | - |
| Total current assets | 64,153 | 66,090 | 474 | 1,323 |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 47,118 | 49,819 | - | - |
| Right-of-use assets | 13,682 | 13,795 | - | - |
| Goodwill | 10,994 | 10,994 | - | - |
| Other intangible assets | 13,210 | 13,814 | - | - |
| Prepayments | - | 864 | - | - |
| Due from subsidiaries | - | - | 165 | 32,820 |
| Investments in subsidiaries | - | - | 89,138 | 71,276 |
| Total non-current assets | 85,004 | 89,286 | 89,303 | 104,096 |
| Total assets | 149,157 | 155,376 | 89,777 | 105,419 |
| CURRENT LIABILITIES | | | | |
| Trade payables and contract liabilities | 6,632 | 6,108 | - | - |
| Other payables | 19,047 | 20,508 | 719 | 755 |
| Due to subsidiaries | - | - | 17,638 | 11,485 |
| Borrowings | 25 | 7,214 | 17 | 4,996 |
| Lease liabilities | 2,589 | 1,853 | - | - |
| Accruals for other liabilities and charges | 4,686 | 2,665 | - | - |
| Current income tax liabilities | - | 104 | - | 359 |
| Total current liabilities | 32,979 | 38,452 | 18,374 | 17,595 |
| NON-CURRENT LIABILITIES | | | | |
| Borrowings | 62,776 | 68,182 | 62,727 | 67,751 |
| Lease liabilities | 11,711 | 12,349 | - | - |
| Accruals for other liabilities and charges | 858 | 746 | - | - |
| Deferred income tax liabilities | 492 | 627 | - | - |
| Total non-current liabilities | 75,837 | 81,904 | 62,727 | 67,751 |
| Total liabilities | 108,816 | 120,356 | 81,101 | 85,346 |
| EQUITY | | | | |
| Capital and reserves attributable to | | | | |
| Share capital | 216,759 | 216,349 | 216,759 | 216,349 |
| Capital reserve | (163) | (163) | (163) | (163) |
| Share-based payment reserve | 5,438 | 5,848 | 5,438 | 5,848 |
| Foreign currency translation reserve | 19,342 | 15,106 | 26,410 | 27,564 |
| Accumulated losses | (201,035) | (202,120) | (239,768) | (229,525) |
| Total equity | 40,341 | 35,020 | 8,676 | 20,073 |
| Total liabilities and equity | 149,157 | 155,376 | 89,777 | 105,419 |

1(b)(ii) **Aggregate amount of group's borrowings and debt securities**

| | 31/03/2021 | | 30/06/2020 | |
|---|---------------------|-----------------------|---------------------|-----------------------|
| | AU\$'000 Secured | AU\$'000 Unsecured | AU\$'000 Secured | AU\$'000 Unsecured |
| Amount repayable in one year or less, or on demand | 25 | - | 7,214 | - |
| Amount repayable after one year | 38,623 | 24,153 | 41,701 | 26,481 |

Borrowings Summary

| | 31/03/2021 AU\$'000 | 30/06/2020 AU\$'000 |
|-------------------------------------|------------------------|------------------------|
| Multi Currency Notes | 38,590 | 41,270 |
| DBS Revolving Credit Facility - AUD | - | 4,996 |
| Shareholder Loan | 24,153 | 26,481 |
| Insurance funding | 58 | 2,649 |
| Total borrowings | 62,801 | 75,396 |

Multi Currency Notes (“Notes”)

The Notes (AU\$38.6m) are a non-current liability and are secured. The decrease in the liability is due to exchange rate fluctuations.

The maturity date of the Notes is 3 December 2022 and interest is paid monthly at a rate of 7% per annum from 3 December 2020.

Revolving credit facility from DBS Bank Ltd

The Company fully repaid the revolving credit facility on 31st December 2020.

DBS also provides bank guarantee facilities to the Group to support performance bonds and financial guarantees provided to the Group's clients.

The Group has complied with the facility covenant limits relating to Net Worth, Gearing and Secured Debt.

Loan from related party (shareholder loan)

The repayment date of the loan from Ezion Holdings Limited (“Ezion”) is until after 31 October 2023 hence the loans are classified as a non-current liability. At 31 March 2021 the amount owing on the loan was AU\$24.1m (30 June 2020: AU\$26.5m) and is unsecured. The decrease in liability is due to the favourable foreign exchange rate movement between the US dollar and the Australian dollar offset by the capitalisation of interest expenses during the 9-month period.

Surety bond facility from Vero

The Group holds a AU\$30.0m Surety bond facility with Vero to ensure the Group maintains its bonding capacity for bid bonds, performance bonds and financial guarantees. At 31 March 2021, AU\$4.1m (30 June 2020: AU\$14.2m) was drawn under this facility.

1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| | GROUP 3Q 2021 AU\$'000 | GROUP 3Q 2020 AU\$'000 | GROUP 9M 2021 AU\$'000 | GROUP 9M 2020 AU\$'000 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Cash flows from operating activities | | | | |
| Profit/(loss) after taxation | 102 | (3,217) | 1,085 | (2,444) |
| Add / (less) adjustments for: | | | | |
| Depreciation of property, plant and equipment | 991 | 1,542 | 3,073 | 4,188 |
| Amortisation of other intangible assets | 220 | 298 | 640 | 885 |
| Depreciation of right-of-use assets | 692 | 485 | 1,883 | 1,802 |
| Employee share and share option scheme expense | - | 101 | - | 304 |
| Impairment loss on trade receivables | 3 | 59 | 207 | 416 |
| Net foreign exchange differences | (192) | 1,416 | (284) | 1,030 |
| (Profit)/loss on disposal of property, plant and equipment | (196) | (116) | 27 | (451) |
| Interest income | (8) | (30) | (62) | (74) |
| Finance costs | 1,560 | 1,915 | 2,788 | 4,382 |
| Income tax expense | 93 | 263 | 278 | 837 |
| Operating cash flows before working capital changes | 3,265 | 2,716 | 9,635 | 10,875 |
| Changes in operating assets and liabilities | | | | |
| Trade receivables and contract assets | (6,985) | 16,825 | (11,525) | (7,546) |
| Other receivables and prepayments | 1,156 | (131) | 867 | (230) |
| Inventories | 350 | (1,581) | 859 | (2,691) |
| Trade payables | 1,107 | (5,945) | 524 | (3,511) |
| Accruals and other payables | (2,896) | (7,785) | 433 | (46) |
| Cash (used in) / generated from operations | (4,003) | 4,099 | 793 | (3,149) |
| Interest paid | (813) | (1,937) | (2,257) | (3,508) |
| Interest received | 8 | 30 | 62 | 74 |
| Income tax paid | (93) | (263) | (278) | (837) |
| Net cash (used in) / generated from operating activities | (4,901) | 1,929 | (1,680) | (7,420) |
| Cash flows from investing activities | | | | |
| Proceeds from disposal of property, plant and equipment | 86 | 161 | 457 | 794 |
| Purchase of property, plant and equipment | (396) | (500) | (1,040) | (772) |
| Purchase of other intangible assets | (41) | (32) | (99) | (80) |
| Net cash used in from investing activities | (351) | (371) | (682) | (58) |

1(c) Consolidated Statement of Cash Flows (continued)

| | GROUP 3Q 2021 AU\$'000 | GROUP 3Q 2020 AU\$'000 | GROUP 9M 2021 AU\$'000 | GROUP 9M 2020 AU\$'000 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Cash flows from financing activities | | | | |
| Repayment of insurance/software funding | (605) | (2,495) | (3,695) | (7,003) |
| Proceeds from borrowings | - | 17 | 1,966 | 15,138 |
| Repayment of borrowings | - | (2,389) | (5,000) | (5,311) |
| Payment for lease liability | (879) | (367) | (2,435) | (2,259) |
| Withhold of restricted cash | - | (2,000) | - | - |
| Net cash (used in) / generated from financing activities | (1,484) | (7,234) | (9,164) | 565 |
| Net decrease in cash and cash equivalents | (6,736) | (5,676) | (11,526) | (6,913) |
| Effect of exchange rate fluctuations on cash held | (20) | 94 | (3) | 114 |
| Net decrease in cash held | (6,756) | (5,582) | (11,529) | (6,799) |
| Cash and cash equivalents at beginning of period | 16,315 | 13,243 | 21,088 | 14,460 |
| Cash and cash equivalents at end of period | 9,559 | 7,661 | 9,559 | 7,661 |
| Cash and cash equivalents represented by | | | | |
| Cash and bank balances | 11,272 | 10,374 | 11,272 | 10,374 |
| *Restricted cash | (1,713) | (2,713) | (1,713) | (2,713) |
| Total cash and cash equivalents at end of period | 9,559 | 7,661 | 9,559 | 7,661 |

*The amount represents cash security held for bank guarantees issued.

1(d)(i) A statement (for the issuer and group) showing either

- (i) all changes in equity, or
- (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

| | SHARE CAPITAL AU\$'000 | CAPITAL RESERVE AU\$ '000 | SHARE- BASED PAYMENT RESERVE AU\$'000 | FOREIGN CURRENCY TRANSLATIO N RESERVE AU\$'000 | ACCUMULATED LOSSES AU\$'000 | TOTAL EQUITY AU\$'000 |
|--|------------------------------|---------------------------------|---|--|-----------------------------------|-----------------------------|
| Group | | | | | | |
| 9M 2021 | | | | | | |
| Balance as at 1 July 2020 | 216,349 | (163) | 5,848 | 15,106 | (202,120) | 35,020 |
| Profit for the period | - | - | - | - | 983 | 983 |
| Other comprehensive income | - | - | - | 3,560 | - | 3,560 |
| Balance as at 31 December 2020 | 216,349 | (163) | 5,848 | 18,666 | (201,137) | 39,563 |
| Profit for the period | - | - | - | - | 102 | 102 |
| Other comprehensive income | - | - | - | 676 | - | 676 |
| Shares issued through employee share schemes | 410 | - | (410) | - | - | - |
| Balance as at 31 March 2021 | 216,759 | (163) | 5,438 | 19,342 | (201,035) | 40,341 |
| 9M 2020 | | | | | | |
| Balance as at 1 July 2019 | 216,349 | (163) | 5,438 | 18,907 | (142,614) | 97,917 |
| Profit for the period | - | - | - | - | 773 | 773 |
| Other comprehensive loss | - | - | - | (838) | - | (838) |
| Balance as at 31 December 2019 | 216,349 | (163) | 5,438 | 18,069 | (141,841) | 97,852 |
| Loss for the period | - | - | - | - | (3,217) | (3,217) |
| Other comprehensive loss | - | - | - | (5,127) | - | (5,127) |
| Balance as at 31 March 2020 | 216,349 | (163) | 5,438 | 12,942 | (145,058) | 89,508 |
| Company | | | | | | |
| 9M 2021 | | | | | | |
| Balance as at 1 July 2020 | 216,349 | (163) | 5,848 | 27,564 | (229,525) | 20,073 |
| Loss for the period | - | - | - | - | (8,875) | (8,875) |
| Other comprehensive loss | - | - | - | (259) | - | (259) |
| Balance as at 31 December 2020 | 216,349 | (163) | 5,848 | 27,305 | (238,400) | 10,939 |
| Loss for the period | - | - | - | - | (1,368) | (1,368) |
| Other comprehensive loss | - | - | - | (895) | - | (895) |
| Shares issued through employee share schemes | 410 | - | (410) | - | - | - |
| Balance as at 31 March 2021 | 216,759 | (163) | 5,438 | 26,410 | (239,768) | 8,676 |
| 9M 2020 | | | | | | |
| Balance as at 1 July 2019 | 216,349 | (163) | 5,438 | 27,918 | (179,020) | 70,522 |
| Profit for the period | - | - | - | - | 517 | 517 |
| Other comprehensive income | - | - | - | 492 | - | 492 |
| Balance as at 31 December 2019 | 216,349 | (163) | 5,438 | 28,410 | (178,503) | 71,531 |
| Profit for the period | - | - | - | - | 637 | 637 |
| Other comprehensive income | - | - | - | 5,286 | - | 5,286 |
| Balance as at 31 March 2020 | 216,349 | (163) | 5,438 | 33,696 | (177,866) | 77,454 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

| | 31-Mar-21 | 30-Jun-20 |
|--|----------------------|----------------------|
| | Number of shares | Number of shares |
| Number of issued shares | | |
| Opening balance | 3,048,230,431 | 3,048,230,431 |
| Shares issued through employee share schemes | 15,000,000 | - |
| Closing balance | <u>3,063,230,431</u> | <u>3,048,230,431</u> |
| | 31-Mar-21 | 30-Jun-20 |
| | AU\$'000 | AU\$'000 |
| Ordinary shares issued and fully paid | | |
| Opening balance | 216,349 | 216,349 |
| Shares issued through employee share schemes | 410 | - |
| Closing balance | <u>216,759</u> | <u>216,349</u> |

As at 31 March 2021 there were no outstanding options (30 June 2020: Nil) for unissued ordinary shares under the employee share option scheme.

As at 31 March 2021 there were no outstanding rights (30 June 2020: 15,000,000) that may potentially be converted to shares under the employee share scheme.

As at 31 March 2021 and 30 June 2020 respectively there were no treasury shares held by the Company.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

| | 31 March 2021 | 30 June 2020 |
|-------------------------|----------------------|----------------------|
| Number of issued shares | <u>3,063,230,431</u> | <u>3,048,230,431</u> |

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

In Q1 FY2021, the Group has deregistered Teras Australia Pty Ltd, a dormant subsidiary of the Company incorporated in Australia. The deregistration has been approved by the Australian Securities and Investment Commission on the 15th July 2020.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except for New Accounting policies as disclosed under item 5 below, the accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those stated in the audited financial statements for the year ended 30 June 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") and related Interpretations ("INT SFRS(I)") that are relevant to its operations and effective for the financial period beginning on or after 1 July 2020. The adoption of the new accounting standards does not have any material effect on the financial results of the Group and the Company.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

| | GROUP 3Q 2021 AU\$'000 | GROUP 3Q 2020 AU\$'000 | GROUP 9M 2021 AU\$'000 | GROUP 9M 2020 AU\$'000 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Profit/(loss) attributable to owners of the Company | 102 | (3,217) | 1,085 | (2,444) |
| Weighted average number of ordinary shares in issue applicable to earnings ('000) | 3,062,614 | 3,048,230 | 3,062,614 | 3,048,230 |
| Fully diluted number of ordinary shares ('000) | 3,063,230 | 3,048,230 | 3,063,230 | 3,048,230 |
| Earnings/(loss) per ordinary share (AU cents) | | | | |
| - Basic | 0.00 | (0.11) | 0.04 | (0.08) |
| - Diluted | 0.00 | (0.11) | 0.04 | (0.08) |

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends (continued)

Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the Company by the weighted average of the number of shares outstanding during the period.

For the purposes of calculating diluted earnings per share, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive shares is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the profit/(loss) after taxation.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
- (b) immediately preceding financial year

| | GROUP 31/03/2021 AU\$'000 | GROUP 30/06/2020 AU\$'000 | COMPANY 31/03/2021 AU\$'000 | COMPANY 30/06/2020 AU\$'000 |
|--|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Net assets | 40,341 | 35,020 | 8,676 | 20,073 |
| Net asset value per ordinary share based on issued share capital at the end of the respective periods (AU cents) | 1.3 | 1.1 | 0.28 | 0.7 |

Net asset value per ordinary share is calculated by dividing the net assets attributable to the entity holders of the Company by the number of issued shares as at 31 March 2021 of 3,063,230,431 ordinary shares (30 June 2020: 3,048,230,431).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

A Review of Income Statement

3Q FY2021 v 3Q FY2020

Revenue for the third quarter of FY2021 decreased by 23.3% to AU\$50.7m (3Q FY2020: AU\$66.1m) and cost of sales for the third quarter decreased by 28.4% to AU\$45.6m (3Q FY2020: AU\$63.7m), reflecting the lower than expected recovery from the effects of the impact of COVID-19 throughout the year, as a result of the postponement of client determined "non-critical" projects.

Gross profit increased by 112.8% to AU\$5.1m for the third quarter (3Q FY2020: AU\$2.4m), with the gross profit margin increasing to 10.0%, an increase of 6.4% compared to 3Q FY2020, mainly resulting from increased operating efficiencies across all business sectors in the current year and also due to the COVID-19 subsidy received from the Australian Federal Government reducing cost of sales.

Other operating income has increased to AU\$0.234m (3Q FY2020: AU\$0.017m) due the profit on sale of property, plant and equipment relating primarily to the disposal of surplus scaffolding assets.

Other operating costs increased by 11.3% to AU\$2.0m (3Q FY2020: AU\$1.8m) as the group made the decision to retain key operational staff during COVID-19, hence, there have been no tangible savings on staff costs.

Administrative expenses decreased by 19.5% to AU\$1.0m (3Q FY2020: AU\$1.3m) following costs reductions made during the year due to the impact of the COVID-19 pandemic.

Marketing and distribution expenses have increased 65.5% to AU\$0.5m (3Q FY2020: AU\$0.3m) due to increased new work tender activity in the quarter and marketing costs relating to significant contract wins in the quarter.

Finance costs have decreased 18.5% to AU\$1.6m (3Q FY2020: AU\$1.9m) mainly due to a lower un-realised foreign exchange loss of AU\$0.3m (3Q FY2020: AU\$0.8m) arising from the revaluation of foreign currency borrowings and also in part due to a decrease of bank interest as a result of lower levels of debt.

Income tax expense has decreased 64.6% to AU\$0.09m (3Q FY2020: AU\$0.26m) as a result of a reduction in withholding tax following the loan capitalisation exercise completed in the previous quarter (refer to Balance Sheet: Assets for further details).

Net profit for the quarter after tax from operations is AU\$0.1m (3Q FY2020: loss of AU\$3.2m).

9M FY2021 V 9M FY2020

Revenue decreased by 38.2% to AU\$139.0m (9M FY2020: AU\$224.8m) and cost of sales decreased by 40.6% to AU\$125.4m (9M FY2020: AU\$210.9m), reflecting the lower than expected recovery throughout the year from the effects of the impact of COVID-19 as a result of the postponement of client determined “non-critical” projects.

Gross profit decreased by 1.9% to AU\$13.6m (9M FY2020: AU\$13.9m) although it has been largely maintained at a consistent level despite the effect of lower activity due to COVID-19, which has partially been offset by increasing operating efficiencies across business sectors during the current year and has also been boosted by the effect of COVID-19 subsidy received from the Australian Federal Government reducing cost of sales. This result is reflected in an increase of 3.6% in the gross profit margin to 9.8% (9M FY2020: 6.2%).

Other operating income has decreased 78.1% to AU\$0.2m (9M FY2020: AU\$0.8m) due to a decrease in sales on property, plant and equipment primarily related to the disposal of scaffolding assets, with disposals now being undertaken when these assets are no longer required by the business.

Other operating costs decreased by 1.8% to AU\$5.9m (9M FY2020: AU\$6.0m) as the group made the decision to retain key operational staff during COVID-19, hence, there has been no tangible savings on staff costs.

Administrative expenses decreased by 35.9% to AU\$2.8m (9M FY2020: AU\$4.4m) following costs reductions made due to the impact of the COVID-19 pandemic, bolstered by the receipt of Australian Federal Government subsidies during the same COVID-19 period.

Marketing and distribution expenses have decreased by 33.0% to AU\$0.7m (9M FY2020: AU\$1.1m) mainly due to reduced new work activities as a direct result of COVID-19’s negative effects on work programmes during the pandemic.

Finance costs have decreased by 36.4% to AU\$2.8m (9M FY2020: AU\$4.4m) mainly due to a gain in un-realised foreign exchange fluctuations of AU\$0.8m (9M FY2020: foreign exchange loss of AU\$0.8m) arising mainly from the revaluation of foreign currency borrowings and also partly due to a decrease of bank interest as debt levels have decreased over the year.

Income tax expense has decreased 66.8% to AU\$0.3m (9M FY2020: AU\$0.8m) as a result of a reduction in withholding tax following the loan capitalisation exercise completed in the previous quarter (refer to Balance Sheet: Assets for further details).

For more details on income tax, please refer to Section 1(a)(ii)C.

Net profit after tax from operations for the nine months to 31 March 2021 is AU\$1.1m (9M FY2020: loss of AU\$2.4m).

B Balance Sheet

GROUP

Assets

Cash and bank balances decreased by AU\$11.5m to AU\$11.3m at 31 March 2021 (30 June 2020: AU\$22.8m) due to timing delays on the receipt of project payments as a result of late invoicing on key contracts transitioning to a new major contract and repayment of bank borrowings and insurance/software funding in the period.

Trade receivables balance increased by AU\$11.3m since 30 June 2020 to AU\$46.0m at 31 March 2021 due to delays on the receipt of project payments as a result of the late invoicing on key contracts and the transition to a new major contract indicated in the previous point. This has had a timing effect on the Group cashflow in the short term, however these late invoices have been paid in subsequent periods.

Other receivables and prepayments have decreased by AU\$0.9m mainly due to the completion of insurance funding obligations during the period.

Inventories decreased by AU\$0.9m since 30 June 2020, with the majority of inventory now related to marine fuel for sale by the NT Port and Marine business. The decrease was due to the sale of fuel during the 9-month period.

Non-current assets have decreased AU\$4.3m since 30 June 2020 to AU\$85.0m mainly due to the depreciation and amortisation on property, plant and equipment and a reduction in prepayments of AU\$0.9m.

Liabilities

The trade payables balance increased by AU\$0.5m since 30 June 2020 to AU\$6.6m at 31 March 2021 due to an increase in accrued expenses for project related costs.

Other payables decreased by AU\$1.5m since 30 June 2020 to AU\$19.0m mainly due to timing of payments for payroll and GST related statutory obligations in the period.

Current accruals for other liabilities have increased by AU\$2.0m from 30 June 2020 to AU\$4.7m at 31 March 2021, mainly consisting of increases in accordance with contractual requirements for the accruals associated with annual leave, rostered day off, sick leave and current long service leave. Non-current accruals comprised long-term long service leave balance.

Total borrowings decreased overall by AU\$12.6m since 30 June 2020 to AU\$62.8m due to the repayments of A\$5.0m of the revolving credit facility, repayment of A\$2.6m of insurance funding and the favourable foreign currency rate movement of the US dollar and Singapore dollar against Australian dollar which resulted in a lower outstanding balances in both the shareholder loan and the Multi Currency Notes.

As at 31 March 2021, the Group was in a net current asset position of AU\$31.2m and net assets were AU\$40.3m. The Group has sufficient cash resources and banking facilities available to meet the financing needs of its operations.

COMPANY

Assets

Amounts due from subsidiaries has decreased by AU\$32.6m since 30 June 2020 mainly due to the effect of the loan capitalisation exercise completed in 2Q FY2020 in its subsidiary - Ezion Offshore Logistics Hub Pte Ltd ("EOLH"). The loan has been capitalised through an increase in the investment in the relevant subsidiary by the issue of 2,000,000 ordinary shares from EOLH. The exercise resulted in a decrease of AU\$31.1m in amounts due from subsidiaries. In addition, there have been minor movements associated with foreign currency translations since 30 June 2020 totaling AU\$1.5m.

Investment in subsidiaries has increased by AU\$17.9m since 30 June 2020 mainly due to the effect of the loan capitalisation exercise referred to in the previous paragraph resulting in an increase of AU\$23.4m in investment in subsidiaries. In addition, foreign currency rate movements resulted in a decrease of AU\$5.5m in the investment in subsidiaries.

Liabilities

Amounts due to subsidiaries has increased by AU\$6.2m since 30 June 2020 reflecting the intercompany funding required to effect repayment of bank borrowings and interest.

C Review of Statement of Cash Flows

Operating activities of the Group has incurred a net cash outflow of AU\$4.9m for 3Q FY2021, a decrease from the corresponding quarter in FY2020 of a net cash inflow of AU\$1.9m. The decrease was mainly due to timing delays on the receipt of project payments, a diversification of the customer base and a lower level of operating activity in 3Q FY2021.

Net cash outflows of AU\$0.4m incurred from investing activities in 3Q FY2021 due to the purchases of property, plant and equipment in the quarter offset by a net inflow of AU\$0.1m from disposals.

Net cash used in financing activities was AU\$1.5m in 3Q FY2021, reflecting the outflow of repayments of insurance funding of AU\$0.6m and repayments of lease liabilities of AU\$0.9m.

As a result of the above activities, the Group recorded a decrease in cash and cash equivalents of AU\$6.7m to AU\$9.6m at 31 March 2021 compared to the prior quarter (2Q FY2021 - AU\$16.3m).

9. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (pursuant to SGX rulebook - Appendix 7.2 Financial statements and dividend announcement (3A)) :-**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The Group's auditors qualified their audit opinion for the year ended 30 June 2020 as they were unable to obtain sufficient appropriate audit evidence regarding the key assumptions to arrive at the recoverable amount of the Port and Marine business. For further details, refer to AusGroup Limited's Annual Report for FY2020, page 31 (announced on the SGX on 25 September 2020) and to the Announcement pursuant to Rule 704(5) and Rule 704(6) of the Listing Manual - Disclaimer of Opinion by Auditor of the Financial Statements for Year Ended 30 June 2020 and Material Adjustments to the Unaudited Results for Year Ended 30 June 2020, where the Company's Auditor

have disclosed their Report on the audit of the financial statements and have included their Disclaimer of Opinion and the Basis for the Disclaimer of Opinion.

The area of the business highlighted in the Disclaimer of Opinion relates to the NT Port and Marine section of the Group. In this respect, the commencement of operations started in March 2018 and since that date the business has developed and is starting to secure longer term contracts (a one year take or pay fuel contract was secured in FY2020) to underpin the value over the 40 year remaining term of the right to operate. The valuation of an entity at the early stage of its life cycle is wide ranging due to a lack of operating history and profits. The valuation is based on future assumptions that, whilst they are reasonable to assume, are based on judgement and estimates relating to future events. An independent valuer will similarly rely on such future assumptions and due to the unique nature of the NT Port and Marine business there are no comparable assets to benchmark against.

The Group continues to pursue a range of development opportunities to continue the expansion of the NT Port and Marine business.

Whilst these opportunities are commercially sensitive, and some are Government sensitive, they span the increase in utilisation of the NT Port and Marine business assets primarily through:

- continual increase in utilisation of the accommodation facility located at Port Melville;
- increase in fuel sales both offshore and onshore;
- initiate fuel ullage storage agreements to utilise the capacity of the fuel storage facility at Port Melville;
- increase in revenue from laydown areas at Port Melville and East Arm;
- investigation of sub-lease options for the Company's leases; and
- expansion of onshore services.

Business Development Activities

The final investment decision for the development of the Barossa LNG field was announced on 22th March 2021. The US\$3.6bn Gas and Condensate project may result in an increase in the asset utilisation for the NT Port and Marine business due to the proximity of Port Melville to the Barossa development.

The NT Port and Marine business is focused on maximising this opportunity.

A partial sub-lease of the East Arm facility will commence in July 2021.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The Board continues to monitor the development of this business which is challenging due to the current economic climate as a result of the COVID-19 pandemic and reviews the carrying value on a quarterly basis and confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

10. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

11. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Background Information

AusGroup offers a range of integrated service solutions to the energy, mining and industrial sectors across Australia and South East Asia. Our diversified service offering supports clients at all stages of their asset development and operational schedule.

Through subsidiaries AGC, MAS and NT Port and Marine, we provide maintenance, construction, access services, commissioning & handover and port & marine services. With over 30 years of experience, we are committed to partnering with our clients to build, maintain and upgrade some of the region's most challenging projects.

Our Capabilities

Maintenance Services

Our maintenance services range from breakdown maintenance to shutdowns and sustaining capital works. Through our in-house capability, we can provide any combination of skills, trades or disciplines on a long or short-term basis for shutdowns and campaign maintenance. Our maintenance services include: mechanical; electrical; industrial coatings; insulation; refractory and specialist welding.

Construction

AusGroup provides focused and specialised construction capabilities including structural, mechanical, piping and installation solutions. We are able to self-perform almost all construction trades, offering efficient interface management and productivity optimisation.

Our construction expertise combines multidisciplinary construction knowledge and a first-class health and safety record, to enhance project execution.

Access Services (referred to as MAS)

Our access services include scaffolding, scaffold engineering and design, rope access, labour supply, scaffolding, stock control, logistics and transportation.

Fabrication

We provide manufacturing, fabrication and testing of specialist structural, piping and modularisation packages. Our fabrication facilities are strategically located within Perth's high wide load corridor in Kwinana. With an in-house capacity to fabricate up to 30,000 tonnes of steel products per annum, we have manufactured, tested and commissioned some of Western Australia's largest fabricated steel structures.

Port and Marine Services (referred to as NT Port and Marine)

We offer logistics and marine transportation support services to the oil and gas industry, general marine and defense sectors through our NT Port and Marine business. With locations at Port Melville and East Arm Supply Base located in the Northern Territory, we can provide marine and land fuel, areas for laydown and storage, berthage and accommodation facilities.

Significant Trends & Competitive Conditions

COVID-19 Pandemic

The effects of the pandemic that initially manifested in 4Q FY 2020 has continued albeit, there are now more significant indications of a return to more normalised operations in 3Q FY2021. The pandemic will also likely have an effect on the next quarter of the year, however, client work

programmes are increasing in scale and more work fronts are presenting such that the return to normal revenue and profitability levels are emerging. There is also evidence that the business environment is returning to more normal conditions due to increasing manpower requirements across all sectors to address the demands of clients to complete the full range of both critical and non-critical core work programmes that were delayed due to the COVID-19 virus. However, the impact of future infection rates in Australia combined with the pace of the vaccination programme is uncertain and may have an impact on operations over the coming months.

During the quarter, on 22 March 2021, AusGroup announced on SGX, the award of a significant long-term maintenance master contract in the Oil & Gas sector. The announcement details the following main points:

- AusGroup subsidiary AGC secures contract with Chevron Australia.
- Longest (ten year) maintenance master contract awarded to date in the Australian oil and gas market.
- 300 - 500 additional local planning and execution roles expected to be recruited in Western Australia.
- Milestone supports long-term future for the WA based AGC.
- Order book increase to over A\$1 billion.

The ten-year master contract enables Chevron Australia to order full-service asset maintenance from AGC across Chevron's onshore and offshore natural gas and oil production facilities located in the north-west of Australia.

Under the contract, AGC will deliver a diverse and complete range of services including:

- management, planning, scheduling and supervision;
- painting insulation and fireproofing (PIF);
- scaffolding including engineering services;
- rope access (central trades);
- workshop management;
- asset management (hire equipment special tools);
- procurement and maintenance; and
- crane operation (rigging) and maintenance.

This significant long-term contract provides a solid order book and revenue base for the business and is a testament to the organisation's track record in safely and efficiently delivering contracts. This is a substantial achievement for AusGroup and confirms our proven track-record and represents a significant strategic milestone for our business, firmly positioning us as a leader and Tier 1 contractor in end-to-end asset maintenance program delivery for oil and gas assets.

The major trends that are relevant to the industry and the Group:

- Major new LNG construction projects are now completed and these have moved into the production phase, where maintenance services will be required to maintain safe and reliable operations for the next 40+ years, providing long term and sustainable demand for the Group's service offering.
- Significant investment in the Resources sector (Iron Ore, Nickel, Gold, Lithium, etc) is continuing and the Group is well placed to provide the sector with fabrication services, modularised solutions, SMP, construction, commissioning and integrated asset maintenance services.
- Increased tender activity in 3Q FY2021 as Client work programmes that were suspended during the early days of the pandemic have now been re-initiated resulting in an increase in tender costs. Costs that have been incurred on these larger tenders may be subject to recovery after award and may be adjusted in the income statement in 4Q FY2021.

- The use of technology, productivity and innovative solutions across all aspects of the project(s) life cycle is key to adding value to customers and underpinning long term relationships and delivering predictable outcomes on plan.
- Increased demand for skilled labour is putting upward pressure on wage rates.
- Focus on core strengths, capabilities and efficiency improvements will underpin the profit generation from the Group's service offering.
- The recent improving oil price after the shock of COVID-19 is likely to support capital investment expansions in the LNG sector.
- Increasing investment by the Australian Federal Government (AU\$747.0m) in military bases in the Northern Territory of Australia may result in an increase in activity for the NT Port and Marine business.

General

The main priority for the Group in the short term is to focus on our core strengths of providing multi-disciplinary services of mechanical, scaffolding, insulation, refractory and fabrication services in addition to increasing the NT Port and Marine operations as this business migrates from a commercialisation phase to providing core services in the fuel sale and storage market and the woodchip market.

At 31 March 2021 the only debt due to be repaid in FY2021 is AU0.03 million of insurance funding. Accordingly, the short-term focus on the Group's cashflow to meet short term debts has been addressed as the Group has re-scheduled the majority of its borrowings to longer term (non-current) tenures. The Group is focused on options to reduce debt further prior to the maturity dates in 2022 and 2023 and bolster working capital to support the expansion of services to its clients.

Whilst the impact of the COVID-19 pandemic led to delay in awards of new contracts, the forward pipeline is increasing and work activity across all sectors is increasing with more requests from clients to focus on the full range of both critical and non-critical core work programmes that were delayed due to the COVID-19 virus. This return to more normal activity levels is expected to underpin the business objectives in the short term and into 1Q FY2022 and 2Q FY 2022, with core projects expected to grow in scale and complexity to provide further opportunities for organic growth in the energy and process sectors.

12. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None, due to the working capital requirements of the Group.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

13. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended.

14. IPT Mandate

There were no IPT transactions for the period.

15. Negative Assurance pursuant to Rule 705 (5) of the Listing Manual.

To the best of our knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1) of the Listing Manual.

ON BEHALF OF THE BOARD

Wu Yu Liang
Non-Executive Chairman

Shane Francis Kimpton
Managing Director

12 May 2021

This release contains certain statements that are not statements of historical fact, i.e. forward looking statements. Readers can identify some of these statements by forward looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could”, or similar words. However, you should note that these words are not the exclusive means of identifying forward looking statements. Forward looking statements are made based on current expectations, projections and assumptions about future events. Although AusGroup believes these expectations, projections and assumptions are reasonable at the time of making them, these forward looking statements are subject to risks (known and unknown), uncertainties and certain assumptions about AusGroup, its business operations, and the environment it operates in. Actual future performance, outcomes and results may therefore differ materially from those expressed in the forward looking statements. Representative examples of these risk factors include (without limitation) general industry and economic conditions, availability of suitably skilled workers, interest rate movements, cost of capital and capital availability, competition from other companies, shifts in customer demands, changes in operating expenses, including employee wages, benefits and training and government and public policy changes. Readers are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.