CIVMEC LIMITED

(ACN 672 407 171)

AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

Content

Directors' Report

The Directors present their report to the members together with the Condensed Interim Consolidated Financial Statements of Civmec Limited (the 'Company') and its subsidiaries (collectively referred to as the 'Group') for the half year ended 31 December 2025.

Directors

The names of the Directors of the Company who held office during and since the end of the half year are:

Name	Position
Mr. James Finbarr Fitzgerald	Executive Chairman
Mr. Patrick John Tallon	Chief Executive Officer
Mr. Kevin James Deery	Chief Operating Officer
Mr. Ambrose Law	Lead Independent Director
Ms. Ong Beng Hong	Independent Director
Mr. Gary Gray	Independent Director

Operating and financial review

A summary of the consolidated revenue and results for the current and previous financial period is as follows:

	6 months ended		
	31 December 2025	31 December 2024	Variance %
A$'000			
Revenue and other income	382,260	504,313	(24.2)
Total depreciation	11,274	10,609	6.3
Total finance cost	4,470	4,811	(7.1)
Earnings before interest, tax and amortisation (EBITDA)	45,975	52,887	(13.1)
Earnings before interest and tax (EBIT)	34,701	42,278	(17.9)
Earnings before tax (EBT)	30,230	37,467	(19.3)
Net profit after tax (NPAT)	21,448	26,493	(19.0)
Cash position at reporting date	87,579	37,006	136.7
Operating cash flow before working capital changes	44,932	52,431	(14.3)
Earnings per shares (cents)	4.21	5.21	(19.2)
Net profit margin %	5.64	5.27	7.0

Revenue and other income were 24.2% lower than the previous year, primarily due to the reduced level of activities and lower interest income earned from bank balances. The gross profit margin improved to 11.8%.

The 19.3% decline in EBT compared to the previous year was mainly driven by a reduction in revenue, increased administrative costs and higher depreciation expenses.

The Group's cash balance increased by 136.7%. The positive operating cash flow supported the funding of working capital requirements, consistent dividend payments, and capital expenditure in property, plant and equipment.

Dividends

Information on dividends paid during the year can be found under Note 19 of this report.

Directors' Report

Significant changes in the state of affairs

Luerssen Australia acquisition

On 1 July 2025, the Group has completed the acquisition of 100% of the shares in Luerssen Australia Pty Ltd (now rebranded as Civmec Defence Industries Pty Ltd 'CDI'). The transaction has been accounted for as a business combination. Refer to Note 12 for more information.

Joint auditor's independence declaration

The independence declaration from both Moore Stephens LLP and Moore Australia Audit (WA), as required under section 307C of the Corporations Act 2001 (as amended), is included on page 3 of this report.

Rounding of amounts

The amounts contained in these Condensed Interim Consolidated Financial Statements have been rounded to the nearest million dollars, except where otherwise indicated, as permitted by ASIC Corporations Instrument 2016/191.

Significant events since reporting date

There have been no subsequent material events that would require disclosure in the financial statements.

Signed in accordance with a resolution of the Directors.

James Finbarr Fitzgerald	**Patrick John Tallon**
Executive Chairman	Chief Executive Officer
Civmec Limited	Civmec Limited
12 February 2026	12 February 2026

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CIVMEC LIMITED

As joint lead auditors of Civmec Limited's interim financial statements for the half-year ended 31 December 2025, we declare that to the best of our knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review of the interim financial statements, and

b) no contraventions of any applicable code of professional conduct in relation to the review of the interim financial statements.

MICHELLE CHONG
PARTNER

Singapore 12th February 2026

Moore Stephens LLP

MOORE STEPHENS LLP
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

SUAN-LEE TAN
PARTNER

Perth 12th February 2026

MOORE AUSTRALIA

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Consolidated Income Statement

For the half year ended 31 December 2025

	Note	6 months ended 31 December 2025 A$'000	31 December 2024 A$'000
Revenue	2	380,443	502,861
Cost of sales	3	(335,577)	(447,078)
Gross profit		44,866	55,783
Other income	2	1,817	1,452
Administrative expenses	3	(13,943)	(16,779)
Finance costs	4	(2,510)	(2,989)
Profit before income tax		30,230	37,467
Income tax expense	5	(8,782)	(10,974)
Profit for the period		21,448	26,493
Profit attributable to:			
Owners of the Company		21,448	26,493
Non-controlling interest		-	-
		21,448	26,493
Total comprehensive income attributable to:			
Owners of the Company		21,448	26,493
Non-controlling interest		-	-
		21,448	26,493
Earnings per share attributable to equity holders of the Company (cents per share):			
- Basic	6	4.21	5.21
- Diluted	6	4.20	5.15

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	As at 31 December 2025 A$'000	As at 30 June 2025 A$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	87,579	102,940
Trade and other receivables	7	202,548	52,328
Contract assets	8	178,812	154,969
Other current assets		8,438	4,001
Income tax receivable		-	8,697
		477,377	322,935
Non-current assets			
Property, plant and equipment	10	567,373	568,170
Investment properties	11	20,086	19,706
Intangible assets		10	10
Deferred tax assets		2,945	1,078
		590,414	588,964
TOTAL ASSETS		1,067,791	911,899
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	14	217,205	86,835
Contract liabilities	8	84,438	71,447
Lease liabilities	17	6,951	5,442
Income tax payable		994	-
Provisions for employee benefits	16	16,255	13,659
		325,843	177,383
Non-current liabilities			
Lease liabilities	17	57,569	55,069
Borrowings	15	60,000	60,000
Provisions for employee benefits	16	528	379
Deferred tax liabilities		89,257	88,556
		207,354	204,004
TOTAL LIABILITIES		533,197	381,387
Capital and Reserves			
Share capital	18	33,402	32,812
Asset revaluation reserve	21	190,134	190,134
Other reserves	22	8,952	9,071
Retained earnings		302,367	298,756
Total equity attributable to the Owners of the Company		534,855	530,773
Non-controlling interest		(261)	(261)
TOTAL EQUITY		534,594	530,512
TOTAL LIABILITIES AND EQUITY		1,067,791	911,899

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2025

	Share capital A$'000	Treasury shares A$'000	Asset revaluation reserve A$'000	Other reserves A$'000	Retained earnings A$'000	Total A$'000	Non-controlling interest A$'000	Total A$'000
31 December 2025								
Balance as at 1 July 2025	32,812	-	190,134	9,071	298,756	530,773	(261)	530,512
Profit for the period	-	-	-	-	21,448	21,448	-	21,448
OCI* for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	21,448	21,448	-	21,448
Recognition of share based payment	-	-	-	471	-	471	-	471
Employee share awards vested	590	-	-	(590)	-	-	-	-
Dividends paid (Note 19)	-	-	-	-	(17,837)	(17,837)	-	(17,837)
Balance as at 31 December 2025	33,402	-	190,134	8,952	302,367	534,855	(261)	534,594

	Share capital A$'000	Treasury shares A$'000	Asset revaluation reserve A$'000	Other reserves A$'000	Retained earnings A$'000	Total A$'000	Non-controlling interest A$'000	Total A$'000
31 December 2024								
Balance as at 1 July 2024	(1)32,358	(10)	160,219	(1)9,422	286,490	488,479	(261)	488,218
Profit for the period	-	-	-	-	26,493	26,493	-	26,493
OCI* for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	26,493	26,493	-	26,493
Recognition of share based payment	-	-	-	411	-	411	-	411
Dividends paid (Note 19)	-	-	-	-	(17,798)	(17,798)	-	(17,798)
Cancellation of treasury shares	(10)	10	-	-	-	-	-	-
Balance as at 31 December 2024	32,348	-	160,219	9,833	295,185	497,585	(261)	497,324

Note:
*Other Comprehensive income/(loss)
(1) Reclassification of previously vested equity-settled employee benefits relating to prior financial years.

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2025

	Note	6 months ended 31 December 2025 A$'000	6 months ended 31 December 2024 A$'000
Cash Flows from Operating Activities			
Profit before income tax		30,230	37,467
Adjustments for:			
Depreciation of property, plant and equipment and investment properties – leasehold land	10,11	11,274	10,609
Gain on disposal of property, plant and equipment	2	(76)	(14)
Finance cost	4	4,470	4,811
Interest income	2	(1,476)	(932)
Expense arising on equity-settled share based payments		471	411
Foreign exchange differences		39	79
Operating cash flow before working capital changes		44,932	52,431
Changes in working capital:			
Increase in trade and other receivables		(150,220)	(2,478)
Increase in contract assets		(23,843)	(25,167)
Increase in other current assets		(4,437)	(1,334)
Increase/(decrease) in trade and other payables		141,269	(26,178)
(Decrease)/Increase in contract liabilities		(12,991)	5,750
Decrease in provisions		(2,745)	(2,341)
Cash (used in)/generated from operations		(8,035)	683
Interest received		1,476	932
Finance cost paid		(3,447)	(3,619)
Income tax refund		6,861	-
Income tax paid		(7,118)	(20,677)
Net cash used in operating activities		(10,263)	(22,681)
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		193	75
Purchase of property, plant and equipment	10	(1,056)	(3,390)
Acquisition of subsidiary, net of cash paid	12	16,533	-
Net cash generated from/(used in) investing activities		15,670	(3,315)

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2025

(continued)

	Note	6 months ended 31 December 2025 A$'000	6 months ended 31 December 2024 A$'000
Cash Flows from Financing Activities			
Proceeds from borrowings		1,421	37,800
Repayment of borrowings		(960)	(41,800)
Repayment of principal lease liabilities		(3,392)	(3,657)
Dividends paid	19	(17,837)	(17,798)
Net cash used in financing activities		(20,768)	(25,455)
Net decrease in cash and cash equivalents		(15,361)	(51,451)
Cash and cash equivalents at the beginning of the period		102,940	88,457
Cash and cash equivalents at the end of the period	9	87,579	37,006

The reconciliation of movements of liabilities to cash flows arising from financing activities is presented below:

		Cash flows		Non-cash changes		
	Opening A$'000	Proceeds A$'000	Repayment A$'000	Addition A$'000	Others A$'000	Closing A$'000
	1 July 2025					31 December 2025
Borrowings	60,000	1,421	(960)	-	(461)	60,000
Lease liabilities	60,511	-	(3,392)	3,794	3,607	64,520
	1 July 2024					31 December 2024
Borrowings	64,000	37,800	(41,800)	-	-	60,000
Lease liabilities	57,297	-	(3,657)	3,600	3,369	60,609

The accompanying notes form an integral part of the financial statements.

Notes to the Consolidated Financial Statements
31 December 2025

These notes form an integral part of and should be read in conjunction with the accompanying condensed interim consolidated financial statements.

1. Material accounting policies

(a) Basis of preparation

These condensed interim consolidated financial statements of Civmec Limited (the 'Company') and its subsidiaries (the 'Group') for the six-month period ended 31 December 2025:

- have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: *Interim Financial Reporting* and Singapore Financial Reporting standards (International) SFRS(I) 1-34: *Interim Financial Reporting*.
- do not include all the information and disclosures required in the annual financial statements.
- should be read in conjunction with the Group's audited consolidated financial statements for the year ended 30 June 2025.
- presented in Australian dollars (AUD or A$) unless otherwise stated.
- were approved by the Board of Directors on 11 February 2026.

(b) Accounting policies

The same accounting policies and methods of computation have been followed in these condensed interim consolidated financial statements as were applied in the 2025 Civmec Annual Report. The Group has considered the implications of new and amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

(c) Use of estimates, assumptions and judgments

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumption that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2025, except the below:

Business acquisition

Judgement is required in determining the fair value of assets acquired and liabilities assumed in a business combination, which can have material impact on the net identifiable assets. Employee leave provisions assumed at acquisition have been recognised at the carrying amount of employee entitlements as at the acquisition date.

Judgement is also required in determining the fair value of the contingent consideration which includes consideration on the construction progress, estimates to complete compared to the schedule and performance guarantees.

These judgments have been applied, where relevant, in accounting for the acquisition of Luerssen Australia Pty Ltd (now known as Civmec Defence Industries Pty Ltd) which was effective on 1 July 2025.

Notes to the Consolidated Financial Statements

31 December 2025

2. Revenue and other income

	6 months ended	
	31 December 2025 A$'000	31 December 2024 A$'000
Revenue		
Over time:		
Revenue from construction contracts	312,694	441,559
Revenue from the rendering of services[1]	66,653	59,226
	379,347	500,785
At a point in time:		
Revenue from the rendering of services[1]	499	1,071
Revenue from sale of goods	597	1,005
	1,096	2,076
	380,443	502,861
Other income		
Insurance recoveries	8	3
Fuel tax rebate	167	449
Interest income:		
- Bank balances	1,475	931
- Tax authorities	1	1
	1,476	932
Gain on disposal of property, plant and equipment	76	14
Subsidies and incentives[2]	12	37
Miscellaneous income	78	17
	1,817	1,452

Note:

1. Contracts where payment is made for the provision of labour and materials without any risk or penalty for performance is classified as revenue from the rendering of services.
2. The Group received Wage Subsidy and Jobs and Skills WA Employer Incentives from the Government for hiring eligible participants.

Notes to the Consolidated Financial Statements

31 December 2025

3. Profit before income tax

The following items have been included in arriving at profit before income tax:

	6 months ended	
	31 December 2025 A$'000	31 December 2024 A$'000
Included in cost of sales:		
Direct materials	39,934	56,268
Employee benefits	161,452	270,453
Subcontract works	84,098	51,003
Workshop and other overheads	36,922	56,976
Depreciation of property, plant and equipment and investment properties – leasehold land (Note 10, 11)	11,211	10,556
Finance costs on lease liabilities (Note 4)	1,960	1,822
	335,577	447,078
Included in administrative expenses:		
Audit and review fees - Auditors of the Company	223	187
Non-audit fees: other auditors	-	62
Business development	221	232
Communications	1,699	1,847
Depreciation of property, plant and equipment (Note 10)	63	53
Non-executive Directors' fees	172	187
Employee benefits	9,356	9,493
Occupancy expenses	196	139
Company and office costs	828	1,585
Other administrative expenses	310	458
Tax and other professional fees	836	2,457
Net foreign exchange loss	39	79
	13,943	16,779

Notes to the Consolidated Financial Statements

31 December 2025

4. Finance costs

	6 months ended	
	31 December 2025 A$'000	31 December 2024 A$'000
Corporate market loan and line fees	1,960	2,505
Lease liabilities (Note 17)	403	384
Other finance costs	147	100
	2,510	2,989
Included in cost of sales:		
Lease liabilities (Note 17)	1,960	1,822
Total finance costs	4,470	4,811

5. Income tax expense

The Group calculates the period income tax expense using the currently enacted tax rates that are applicable to the total earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended	
	31 December 2025 A$'000	31 December 2024 A$'000
Current income tax expense	9,948	10,756
Deferred income tax expense relating to origination and reversal of temporary differences	(1,166)	218
Total income tax expense	8,782	10,974

Notes to the Consolidated Financial Statements
31 December 2025

6. Earnings per share

	6 months ended	
	31 December 2025	31 December 2024
Profit attributable to the owners of the Company (A$'000)	21,448	26,493
Share capital (A$'000)	33,402	32,358
Weighted average number of ordinary share issued		
- Basic	509,082,462	508,023,408
- Diluted	511,912,462	514,112,408
Earnings per ordinary share (A$ cents)		
- Basic	4.21	5.21
- Diluted	4.20	5.15

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 number of ordinary shares outstanding during the financial period. Diluted earnings per share amounts are calculated by adjusting basic earnings per share by the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

As at 31 December 2025, the diluted earnings per share includes the effect of 1,463,000 unissued ordinary shares granted under 2024 Civmec Performance Rights Plan due to the performance targets are likely to be met. The effect of the inclusion is dilutive. (31 December 2024: 6,089,000, dilutive).

7. Trade and other receivables

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Current:		
Trade receivables		
- Third parties	76,688	51,609
- Retention sum receivables	12	12
	76,700	51,621
Other receivables	570	707
Pre-acquisition contract milestone payments receivable from Commonwealth of Australia[1]	99,750	-
Receivable from Naval Vessels Lürssen ('NVL')	25,528	-
	202,548	52,328

Note:

1. Amount recognised through the acquisition of Luerssen Australia Pty Ltd (now known as Civmec Defence Industries Pty Ltd).

No impairment loss of trade and other receivables were provided as at 31 December 2025 (30 June 2025: Nil).

The Group's internal credit evaluation practices and basis for recognition and measurement for expected credit losses were consistent with those disclosed in the 30 June 2025 Civmec Limited's Annual Report.

Notes to the Consolidated Financial Statements

31 December 2025

8. Contract assets and liabilities

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Contract assets	178,812	154,969
Contract liabilities	(62,243)	(71,447)
Contract liabilities assumed from business combination	(22,195)	-

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date on construction contracts. The contract assets are transferred to trade receivables when the rights become unconditional, which usually occurs when the customer certifies the progress claims.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for construction contracts and progress billings issued in excess of the Group's rights to the consideration in respect of construction contract revenue.

(i) Significant changes in contract balances

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Contract assets:		
Contract assets reclassified to trade receivables	(23,037)	(103,474)
Changes in measurement of progress	46,880	84,855
Contract liabilities:		
Revenue recognised in the current period that was included in the contract liability balance at the beginning of the period/year	26,427	40,199
Increase due to cash received, excluding amounts recognised as revenue during the period/year	(17,222)	(62,354)
Amount recognised in business combination	(22,195)	-

9. Cash and cash equivalents

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Cash at bank and on hand	87,579	102,940

A floating charge over cash and cash equivalents has been provided for certain debt.

10. Property, plant and equipment

	Freehold Land A$'000	Leasehold land and buildings A$'000	Buildings A$'000	Plant and equipment A$'000	Small tools A'$'000	Motor vehicles A$'000	Office equipment A$'000	IT equipment A$'000	Assets under construct-ion A$'000	Total A$'000
31 December 2025										
Cost or valuation										
At 1 July 2025	34,735	40,932	425,908	126,657	11,096	13,363	866	3,803	4,268	661,628
Additions	-	-	-	380	120	-	80	28	448	1,056
Additions – ROU	-	3,082	-	2,949	-	46	-	66	-	6,143
Additions via business combination	-	1,803	-	2,596	-	-	255	421	92	5,167
Adjustment to lease liabilities		(1,803)	-	-	-	-	-	-	-	(1,803)
Transfer	-	-	430	-	-	415	-	-	(845)	-
Disposals	-	-	-	(434)	-	(363)	-	-	-	(797)
At cost at 31 December2025	-	44,014	-	132,148	11,216	13,461	1,201	4,318	3,963	210,321
At valuation at 31 December 2025	34,735	-	426,338	-	-	-	-	-	-	461,073
At 31 December 2025	34,735	44,014	426,338	132,148	11,216	13,461	1,201	4,318	3,963	671,394
Accumulated depreciation										
At 1 July 2025	-	(6,950)	-	(65,997)	(8,581)	(7,754)	(801)	(3,375)	-	(93,458)
Depreciation for the period	-	(584)	(5,572)	(3,827)	(536)	(656)	(17)	(51)	-	(11,243)
Disposals	-	-	-	317	-	363	-	-	-	680
At 31 December 2025	-	(7,534)	(5,572)	(69,507)	(9,117)	(8,047)	(818)	(3,426)	-	(104,021)
Net carrying amount										
At cost	-	36,480	-	62,641	2,099	5,414	383	892	3,963	111,872
At valuation	34,735	-	420,766	-	-	-	-	-	-	455,501
At 31 December 2025	34,735	36,480	420,766	62,641	2,099	5,414	383	892	3,963	567,373

10. Property, plant and equipment (continued)

	Freehold Land A$'000	Leasehold land and buildings A$'000	Buildings A$'000	Plant and equipment A$'000	Small tools A'$'000	Motor vehicles A$'000	Office equipment A$'000	IT equipment A$'000	Assets under construct-ion A$'000	Total A$'000
2025										
Cost or valuation										
At 1 July 2024	29,485	37,650	391,331	118,835	11,454	11,339	860	3,440	11,852	616,246
Additions	-	-	1,050	1,222	212	-	6	141	2,184	4,815
Additions – ROU	-	3,282	-	3,222	-	2,110	-	222	620	9,456
Transfer	2,606	-	3,914	3,918	(50)	-	-	-	(10,388)	-
Revaluation increase	2,644	-	29,613	-	-	-	-	-	-	32,257
Disposals	-	-	-	(540)	(520)	(86)	-	-	-	(1,146)
At cost at 30 June 2025	-	40,932	-	126,657	11,096	13,363	866	3,803	4,268	200,985
At valuation at 30 June 2025	34,735	-	425,908	-	-	-	-	-	-	460,643
At 30 June 2025	34,735	40,932	425,908	126,657	11,096	13,363	866	3,803	4,268	661,628
Accumulated depreciation										
At 1 July 2024	-	(5,971)	-	(58,840)	(7,928)	(6,600)	(769)	(3,298)	-	(83,406)
Depreciation for the period	-	(979)	(10,244)	(7,651)	(1,205)	(1,184)	(32)	(77)	-	(21,372)
Revaluation	-	-	10,244	-	-	-	-	-	-	10,244
Transfer	-	-	-	(32)	32	-	-	-	-	-
Disposals	-	-	-	526	520	30	-	-	-	1,076
At 30 June 2025	-	(6,950)	-	(65,997)	(8,581)	(7,754)	(801)	(3,375)	-	(93,458)
Net carrying amount										
At cost	-	33,982	-	60,660	2,515	5,609	65	428	4,268	107,527
At valuation	34,735	-	425,908	-	-	-	-	-	-	460,643
At 30 June 2025	34,735	33,982	425,908	60,660	2,515	5,609	65	428	4,268	568,170

Notes to the Consolidated Financial Statements

31 December 2025

10. Property, plant and equipment (continued)

Depreciation expenses are classified as follows:

	6 months ended 31 December 2025 A$'000	6 months ended 31 December 2024 A$'000
Included in cost of sales	11,180	10,527
Included in administrative expenses	63	53
	11,243	10,580

At the balance sheet date, the details of the Group's freehold land and buildings are as follows:

Location	Description / Existing use	Tenure
2-8 Stuart Drive, Henderson, Western Australia	Land and buildings / Operational readiness and logistics support facility	Freehold
16 Nautical Drive, Henderson, Western Australia	Buildings on leasehold land / Undercover waterfront, manufacturing, modularisation and maintenance facility	Leasehold land leases: (a) 34-year lease from August 2010, with further 35 years option (b) 30-year lease from March 2014, with further 35 years option (c) 28-year lease from December 2016, with further 45 years option
35-39 Old Punt Road, Tomago, New South Wales	Land and buildings / Manufacturing facility and modular assembly laydown area	Freehold
Lot 324 Hematite Drive & Lot 325 Furnace Road, Wedgefield, Port Hedland Western Australia	Land and buildings / Manufacturing workshop and office facility	Freehold
10 Eucla Close, South Hedland, Western Australia	Land and buildings / Accommodation support	Freehold
45 Bensted Road, Callemondah, Gladstone, Queensland	Land / New facility to be constructed	Freehold
2 George Mamalis, Callemondah, Gladstone, Queensland	Land and building / Workshop and office facility	Freehold
38A Old Punt Road, Tomago, New South Wales	Land / New road to be constructed (currently recognised under Asset under construction)	Freehold

Notes to the Consolidated Financial Statements

31 December 2025

10. Property, plant and equipment (continued)

Freehold land and buildings carried at fair value

The latest valuation of the fair value of the freehold land and buildings of the Group was carried out by Asset Valuation Advisory at 30 June 2025. The fair value is determined by the valuer on the highest and best use approach of each asset. Such valuation was determined using the Sales Comparison approach (to market- type properties), Hypothetical Development approach, Income Capitalisation approach and Depreciated Replacement Cost ('DRC') approach (to non-market-type properties). The fair value has been derived through a mix of Level 2 inputs where applicable and Level 3 inputs where the Valuer has deemed Level 2 inputs to be not applicable. No revaluation was performed during the current period.

If the freehold land and building were stated on the historical cost basis, the carrying amount would be as follows:

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Freehold land*	22,648	22,648
Buildings	231,887	231,887
Accumulated depreciation	(52,485)	(48,763)
Net book value	202,050	205,772

*exclude freehold land under Asset under construction

Right-of-use assets

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are also disclosed in Note 17.

As at the balance sheet date, the net book value of property, plant and equipment that were under lease liabilities was A$76,046,000 (30 June 2025: A$72,306,000) (Note 17).

The carrying amount of property, plant and equipment that are pledged for security are as follows:

		As at	
		31 December 2025 A$'000	30 June 2025 A$'000
Description	Borrowings		
Lease plant and equipment	Lease liabilities	39,645	38,393
Remaining property, plant and equipment	Multi-option facility	527,728	529,777
		567,373	568,170

The details of the borrowings are disclosed in Note 15.

Notes to the Consolidated Financial Statements

31 December 2025

11. Investment properties

	Buildings A$'000	Leasehold land A$'000	Total A$'000
31 December 2025			
Cost or valuation			
At 1 July 2025	17,140	2,755	19,895
Addition – ROU	-	411	411
At 31 December 2025	17,140	3,166	20,306
Accumulated depreciation			
At 1 July 2025	-	(189)	(189)
Depreciation for the period	-	(31)	(31)
At 31 December 2025	-	(220)	(220)
Net carrying amount			
At 31 December 2025	17,140	2,946	20,086
30 June 2025			
Cost or valuation			
At 1 July 2024	15,990	2,597	18,587
Addition – ROU	-	158	158
Revaluation increase – recognise in profit or loss	1,150	-	1,150
At 30 June 2025	17,140	2,755	19,895
Accumulated depreciation			
At 1 July 2024	-	(128)	(128)
Depreciation for the year	-	(61)	(61)
At 30 June 2025	-	(189)	(189)
Net carrying amount			
At 30 June 2025	17,140	2,566	19,706

Buildings carried at fair value

The latest valuation of the fair value of the buildings was carried out by Asset Valuation Advisory as at 30 June 2025. The fair value is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy due to its specialised nature which is not readily traded in the marketplace.

At the balance sheet date, the investment properties held by the Group is as follows:

Location	Description / Existing use	Tenure
1 Welding Pass, Henderson, Western Australia	Buildings on leasehold land / Submarine rescue facility	Leasehold land leases: 28-year lease from April 2020, with further 22 years option Leasehold land sub-lease: 26-year and 4 months lease from July 2021, with 2 options to renew for a further 3 years each

No revaluation was performed during the period. The fair value measurement for the investment properties of A$17,140,000 (30 June 2025: A$17,140,000) has been categorised as a level 3 fair value based on the inputs to the valuation technique used.

11. Investment properties (continued)

Leasehold land carried at cost

The asset is depreciated on a straight-line basis over its lease term. The depreciation rate used is 2.1%.

(a) Investment properties are leased to non-related parties under operating leases.

Amounts recognised in profit or loss for investment properties

	6 months ended	
	31 December 2025 A$'000	31 December 2024 A$'000
Rental income	175	175
Direct operating expenses from investment property that generate rental income	(200)	(221)

(b) The carrying amount of investment properties that are pledged for security is as follows:

		As at	
		31 December 2025 A$'000	30 June 2025 A$'000
Description	Borrowings		
Investment properties	Multi-option facility	20,086	19,706

Notes to the Consolidated Financial Statements

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12. Acquisition

Luerssen Australia Pty Ltd (now known as Civmec Defence Industries Pty Ltd ('CDI')

On 1 July 2025, the Group acquired 100% of the shares in Luerssen Australia Pty Ltd, a company engaged in shipbuilding activities primarily for the Arafura-class Offshore Patrol Vessel ('OPV') program under SEA1180. Following the acquisition, the company became a consolidated subsidiary of the Group from the acquisition date. As a result of the acquisition, the Group is expected to strengthen its role in Australia's naval shipbuilding sector and remain in place to support the ongoing delivery of the SEA1180 OPV program, which is established to replace the ageing Armidale-class patrol boats and to deliver new generation of Offshore Patrol Vessels. The acquisition is accounted for as a business combination.

The Group had 12 months from the transaction completion date to make adjustments to the fair value of net identifiable assets acquired. The following table summaries the consideration paid for and the fair value of assets acquired and liabilities assumed at the acquisition date. These balances are provisional and subject to change within the 12 month measurement period, and any resulting changes will be reflected in the Group's financial statements as at 30 June 2026.

	Fair value A$'000
Acquisition cost	
Cash consideration	20,000
Less: Contribution to Civmec from CoA Recovered Claim	(2,500)
Net value of consideration	17,500
Assets acquired and liabilities assumed	
Cash and cash equivalents	36,533
Trade and other receivables	128,315
Other current asset	12
Property, plant and equipment	3,364
Right-of-use assets	1,803
Trade and other payables	(128,315)
Contract liability	(22,195)
Lease liabilities	(2,017)
Total identifiable assets and liabilities	17,500

During the current financial period, the Group has recognised external consultant costs amounting to A$60,000. These acquisition-related costs have been included in the Administrative Expenses.

Amortisation

The Contract liability will be amortised on a straight-line basis over its estimated useful life of 4 years being the length of the contract, starting from the acquisition date.

Contingent liabilities

Under the terms of the Share Sale Deed, the Vendor has indemnified the Group with respect to all such liabilities with retention amounts of A$5 million to January 2028 and A$2.5 million to January 2029 being held back from the Outstanding Milestone Payment. This has not been included in the balance sheet at acquisition date.

Contribution to the Group

Due to contracted confidentiality obligations, we are unable to specifically disclose the financial contribution of CDI to the Group. It forms part of the Segmentation reporting contained in Note 26.

Notes to the Consolidated Financial Statements

31 December 2025

13. Joint operations

The Group has material interests in the following joint operation which is proportionately consolidated:

Name of entity	Principal activities	Country of incorporation	Ownership interest held by the Group 31 Dec 2025 %	Ownership interest held by the Group 30 June 2025 %
Held by Civmec Construction & Engineering Pty Ltd				
Black & Veatch Civmec JV ('BCJV')[1]	Engineering and construction services	Australia	50	50
Civmec Construction & Engineering Pty Ltd and Seymour Whyte Constructions Pty Ltd and WSP Australia Pty Ltd ('Causeway Link Alliance')[2]	Engineering and construction services	Australia	53.78	53.78
Aurecon Australasia Pty Ltd & Civmec Construction & Engineering Pty Ltd & Seymour Whyte Constructions Pty Ltd[3]	Engineering and construction services	Australia	10.30[4]	-

Notes:

1. BCJV project is for the design and construction of a wastewater treatment plant upgrade.
2. Causeway Link Alliance is for the design and construction of the Causeway Pedestrian and Cyclist Bridges in the Perth metropolitan area.
3. The alliance is for the planning and design development of the Perth Sporting and Entertainment Precinct Project.
4. The proportion of corporate overhead and profit at Phase 1. The proportion changes across different phases.

14. Trade and other payables

	As at 31 December 2025 A$'000	As at 30 June 2025 A$'000
Trade creditors	64,168	35,228
Accruals and sundry payables	54,051	46,244
Payable to Naval Vessels Lürssen ('NVL')[1]	92,807	-
Goods and services tax payable	3,494	1,263
Other taxes payable	2,685	4,100
	217,205	86,835

Note:

1. Recognition of outstanding pre-acquisition contract milestones payments payable to NVL Australia GmBH, through the acquisition of Luerssen Australia Pty Ltd (now known as Civmec Defence Industries Pty Ltd). This amount is adjusted by any pre-acquisition related cost made by the Group.

Trade and other payables are usually paid within 45 days.

15. Borrowings

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Non-current:		
Corporate market loan – secured	60,000	60,000
	60,000	60,000

Multi-option facility

During the current financial period, the existing bank facilities have been renegotiated and consolidated into a revolving multi-option facility. Therefore, the quarterly limit reduction is no longer in effect. The facility can be used for revolving Corporate Market Loan, Letter of Credit and Bank Guarantee.

As at 31 December 2025, the Group has a bank facility limit amounting to A$160 million (30 June 2025: A$156 million), which was 39.2% utilised (30 June 2025: 40.5% utilised). Interest rates are variable and ranged between 4.49% to 4.98% (31 December 2024: 5.53% to 5.55%) per annum during the current financial period.

The Group is required by the banks to maintain certain financial ratios such as leverage ratio, tangible net worth and debt service cover ratio. As at 31 December 2025, the Group met all these financial covenants.

General security deed
The facility is secured by certain property, plant and equipment and investment properties as disclosed in Note 10 and Note 11 to the financial statements.

Notes to the Consolidated Financial Statements

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16. Provisions for employee benefits

	As at	
	31 December 2025 A$'000	**30 June 2025 A$'000**
Current:		
Provision for short-term employee benefits	16,255	13,659
Non-current:		
Provision for long-term employee benefits	528	379
	16,783	14,038

The movements in provisions are as follows:

	31 December 2025 A$'000	30 June 2025 A$'000
Current:		
At the beginning of the year	13,659	18,455
Provisions made during the year		
- Included in employee benefits	21,244	25,948
Adjustment due to change in probability %	87	-
Provisions utilised during the year	(18,703)	(31,165)
Reclassified from non-current	(32)	421
At the end of the year	16,255	13,659
Non-current:		
At the beginning of the year	379	493
Provisions made during the year		
- Included in employee benefits	50	91
Adjustment due to change in probability %	93	340
Provisions utilised/reversed during the year	(26)	(124)
Reclassified to current	32	(421)
At the end of the year	528	379

Short-term benefits

The provisions pertain to employee benefits for annual leave, rostered days off and non-vesting personal leave that are expected to be settled within 12 months of the reporting date. The liability of long service leave that is payable to employees who have completed at least 7 years of continuous employment is also classified as current. They are measured at the amounts expected to be paid when the liability is settled.

Long-term benefits

The provisions mainly pertain to employee benefits relating to long service leave. The liability is measured as the present value of the expected future payments to be made. The probability of long service leave being taken is based upon historical data and the discount rate used ranges from 3.95% to 4.52% (30 June 2025: 3.59% to 3.95%).

17. Leases

(a) The Group as lessee

Nature of the Group's leasing activities

(i) Leased properties

The Group has entered into lease agreements for land and buildings in respect of its offices, facilities and workshops. The Group has the following long-term leases:

- The Henderson land lease at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 34- year period from August 2010 with an option to renew for a further 35 years (reasonably certain to be exercised). Rent increases as per the CPI Index.
- The Henderson land lease on extended area at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 28-year period from December 2016 with an option to renew for a further 45 years (reasonably certain to be exercised). Rent increases as per the CPI Index.
- The Henderson land lease at Lot 101 (1) Welding Pass, Henderson, Western Australia is 28-year lease from November 2019 with further 22 years option (reasonably certain to be exercised). Rent increases as per the CPI Index.
- A workshop lease at 4/379 Spearwood Avenue, Bibra Lake, Western Australia originally entered in July 2022 has been extended for a further 2 years with a second further 3-year option. Rent increases 2.5% on each anniversary of the lease, with a market rent review at the commencement of each further term.
- An office-warehouse lease at Unit 4, 120 Blair Street, Bunbury, Western Australia is a 2-year lease commencing in May 2024, with a first further 2-year option and a second further 2-year option. Rent is subject to market rent review and CPI indexation applied alternately on each anniversary of the lease.
- The office lease at Part of level 3, 200 Adelaide Terrace, Perth, Western Australia is a 2-year term lease commencing in April 2025, with a further 2-year option. Rent increases by 4.5% on each the lease anniversary, with a market rent review at the commencement of the option period.

(ii) Leased equipment

The Group also leases motor vehicles, workshop equipment, and office fit-outs from unrelated parties under recognized lease liabilities. Upon completion of the lease term, the Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term. The average lease term ranges between 4 and 5 years.

The present values of overall lease liabilities are analysed as follows:

	Minimum lease payments A$'000	Future finance charges A$'000	Net present value of minimum lease payments A$'000
31 December 2025			
Current:			
Within one year	11,187	(4,236)	6,951
Non-current:			
Between two and five years	28,814	(17,548)	11,266
Later than five years	210,125	(163,822)	46,303
	238,939	(181,370)	57,569
	250,126	(185,606)	64,520

Notes to the Consolidated Financial Statements

31 December 2025

17. Leases (continued)

(a) The Group as lessee (continued)

Nature of the Group's leasing activities (continued)

(ii) Leased equipment (continued)

The present values of overall lease liabilities are analysed as follows: (continued)

	Minimum lease payments A$'000	Future finance charges A$'000	Net present value of minimum lease payments A$'000
30 June 2025			
Current:			
Within one year	9,939	(4,497)	5,442
Non-current:			
Between two and five years	27,386	(16,022)	11,364
Later than five years	199,573	(155,868)	43,705
	226,959	(171,890)	55,069
	236,898	(176,387)	60,511

Lease liabilities are presented in the statement of financial position as follows:

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Present value of lease liabilities		
Current:		
Within one year	6,951	5,442
Non-current:		
Between two and five years	11,266	11,364
Later than five years	46,303	43,705
	57,569	55,069
	64,520	60,511

The effective interest rates range from 2.14% to 8.60% (31 December 2024: 2.14% to 8.60%) per annum.

Notes to the Consolidated Financial Statements

31 December 2025

17. Leases (continued)

(a) The Group as lessee (continued)

Carrying amount of right-of-use assets within Property, Plant and Equipment

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Leasehold land & buildings	36,480	33,982
Small tools	528	579
Plant and equipment	33,197	31,840
Motor vehicles	4,960	5,063
Office & IT equipment	261	222
Asset under construction	620	620
	76,046	72,306

There was an addition of A$6,143,000 to right-of-use assets during the current financial period (Note 10).

Carrying amount of right-of-use assets within Investment Properties

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Leasehold land & buildings	2,946	2,566

There was an addition of A$411,000 to right-of-use assets during the current financial period (Note 11).

Amounts recognised in profit or loss

	6 months ended	
	31 December 2025 A$'000	31 December 2024 A$'000
Depreciation charged for the year:		
- Small tools	51	51
- Plant and equipment	1,592	1,478
- Motor vehicles	564	452
- IT equipment	27	-
- Leasehold land & building	584	463
Interest on lease liabilities (Note 4)	2,363	2,206
Expenses relating to short-term leases	148	169
Other disclosures – total cash flow for leases	3,392	3,657

17. Leases (continued)

(b) The Group as lessor

The Group sub-leased its investment property under an operating lease which also included pay to build and occupy conditions. A net amount of A$9,236,000 was received in advance during the year ended 30 June 2021 from the sub-lessee as part of the pay to build conditions. Revenue from the advance is being recognised over the tenure of the land. The sub-lessee does not have an option to purchase the property at the expiry of the lease period. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties is disclosed in Note 11.

Future minimum rental receivables under non-cancellable operating leases as at the end of the reporting period are as follows:

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Present value of rental receivables		
Within one year	351	346
Between one year and two years	345	346
Between two years and three years	333	336
Between three years and four years	333	336
Between four years and five years	333	336
Later than five years	3,700	4,112
	5,395	5,812

The present value of rental receivables changes due to the change in CPI. When the CPI rises, indicating higher inflation, the present value decreases. Conversely, a drop in CPI indicating lower inflation, which increases the present value. The annual trimmed mean CPI was 3.3% to the quarter ended 31 December 2025 (30 June 2025: 2.7%).

18. Share capital

(a) Fully paid ordinary shares

	31 December 2025		30 June 2025	
	No. of shares	A$'000	No. of shares	A$'000
At the beginning of the period/year	508,528,000	32,812	507,606,000	32,358*
Share issued during the period/year				
- Conversion of performance rights	1,097,000	590	937,000	464
Cancellation of treasury shares	-	-	(15,000)	(10)
At the end of the period/year	509,625,000	33,402	508,528,000	32,812

* Reclassification of previously vested equity-settled employee benefits relating to prior financial years.

The ordinary shares of the Company have no par value. All issued ordinary shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share without restrictions at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the current financial period, 1,097,000 shares were issued pursuant to vesting and conversion of performance rights held by key management personnel ('KMP') and other management.

Notes to the Consolidated Financial Statements

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19. Dividends

Dividends are recognised as a liability at the time the Directors resolve to pay or declare the dividend.

(a) Dividends recognised during the period

	Franked / unfranked	Dividend per share (Australia cents)	Total A$'000
31 December 2025			
2025 Final ordinary dividend: paid on 24 Oct 2025	Franked	3.5	17,837
31 December 2024			
2024 Final ordinary dividend: paid on 25 Oct 2024	Franked	3.5	17,798

(b) Unrecognised amounts

	6 months ended	
	31 December 2025 A$'000	31 December 2024 A$'000
Interim franked dividends of 2.5 Australia cents per ordinary share for the financial year ended 30 June 2026 (30 June 2025: 2.5 Australia cents)	12,741	12,713

(c) Franking credit balance

	As at	
	31 December 2025 A$'000	31 December 2024 A$'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (30 June 2025: 30%)	61,081	62,926
Impact on the franking account of dividends declared by the Board	(5,460)	(5,448)
	55,621	57,478

Tax rates

The tax rate at which paid dividends have been franked is 30% (30 June 2025: 30%). Dividends payable will be franked at the rate of 30% (30 June 2025: 30%).

Recognition and measurement

A provision for dividends is not recognised as a liability unless the dividends are declared on or before the reporting date.

Notes to the Consolidated Financial Statements

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20. Share-based payments

Performance rights plan

The Performance Rights Plan ('PRP') for key senior executives of the Group was approved and adopted at the Extraordinary General Meeting ('EGM') held on 1 August 2024. The PRP is called the '2024 Civmec Key Senior Executives Performance Rights Plan'.

A Performance Right refers to a right to one issued ordinary share of the Company granted under the scheme for no consideration. To the extent the gateway hurdles are satisfied, 100% of the vesting will be based on the absolute earnings per share (aEPS) outcome. aEPS is based on the achievement of certain predetermined performance targets determined by the Committee. The Committee has the discretion to determine whether the performance targets have been met.

The balances of outstanding Performance Rights are as follows:

	Issued	Vested	Forfeited/ Lapsed/ Expired	Balance	Fair value per right (AUD)[1]
Tranche 6: Performance period 1 July 2022 to 30 June 2025 (Granted in FY2023)	2,134,000	(1,097,000)	(1,037,000)	-	$0.51
Tranche 7: Performance period 1 July 2023 to 30 June 2026 (Granted in FY2024)	1,817,000	-	(275,000)	1,542,000	$0.63
Tranche 8: Performance period 1 July 2024 to 30 June 2027 (Granted in FY2025)	2,283,000	-	(192,000)	2,091,000	$0.69
Balance as at 31 December 2025				3,633,000	

Accounted for but not yet issued				No.	Fair value per right (AUD)[1]
Tranche 9: Performance period 1 July 2025 to 30 June 2028				2,155,000	$0.85

Note:

1. The fair value per right at grant for all tranches is determined using the Black-Scholes Model. This takes into account the share price at the grant date, the term of the right, the exercise price, expected price volatility, exercise probability, the risk-free interest rate over the term of the right, and the expected dividend yield.

For the financial period ended 31 December 2025, the Group has recognised A$471,000 of equity-settled share- based payment expense (31 December 2024: A$411,000).

20. Share-based payments (continued)

Retention Incentive

The Remuneration Committee has approved a retention incentive plan for designated key senior executives of the Group. The incentive will vest following the completion of a five-year performance period. Participants may elect their preferred allocation of the incentive in a cash component (subject to an approved cap), with the remaining value as Performance Rights.

Accounted for but not yet issued	No.	Fair value per right (AUD)[1]
Performance period 1 July 2025 to 30 June 2030	5,373,000	$0.76

Note:

1. The fair value per right is determined using the Black-Scholes Model. This takes into account the share price at the grant date, the term of the right, the exercise price, expected price volatility, exercise probability, the risk-free interest rate over the term of the right, and the expected dividend yield.

21. Asset revaluation reserve

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
At the beginning of the period/year	190,134	160,219
Gain on revaluation of freehold land and buildings	-	42,501
Deferred tax liability arising on revaluation	-	(12,586)
At the end of the period/year	190,134	190,134

22. Other reserves

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Merger reserve[1]	7,578	7,578
Waiver of loan payable to a related party	277	277
Equity-settled employee benefits reserve	1,097	1,216
	8,952	9,071

Note:

1. Pursuant to the completion of the previous Restructuring Exercise in financial year 2012, the share capital of Civmec Construction & Engineering Pty Ltd and Controlled Entities was adjusted to merger reserve based on the 'pooling of interest method'.

Notes to the Consolidated Financial Statements

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23. Capital expenditure commitments

The Group has contracted capital expenditure commitments at the reporting date but not recognised in the financial statement as follows:

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Plant and equipment purchases	3,251	254
Capital projects	10	39
	3,261	293

24. Contingent liabilities

The Group is, in the normal course of business, required to provide guarantees in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability in the event that it is unable to perform its contractual obligations.

As at the reporting date, the Group has given the following:

	As at	
	31 December 2025 A$'000	30 June 2025 A$'000
Bank guarantees	2,442	2,442
Surety bond facility	193,851	183,608
	196,293	186,050

The surety bond facility is provided for the provision of performance bonds to customers of the Group. It has a limit of A$400 million (30 June 2025: A$400 million) as at 31 December 2025.

There were no contingent assets recognised as at 31 December 2025 or 30 June 2025.

Notes to the Consolidated Financial Statements
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25. Related party transactions

The Group's main related parties are as follows:

Entities exercising control over the Group

The largest shareholders are James Finbarr Fitzgerald and Olive Theresa Fitzgerald (acting as trustees for the JF & OT Fitzgerald Family Trust) (16.5%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (16.5%). Patrick John Tallon is a beneficiary of the Kariong Investment Trust.

Key management personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

Directors' interest in employee share benefit plans

At the end of the reporting date, the total number of outstanding performance rights that were accounted for to the directors and key management personnel under existing employee benefit schemes is given below:

	As at	
	31 December 2025 No.	30 June 2025 No.
Performance rights		
Directors	1,367,000*	996,000*
Key management personnel	1,365,000	332,000

Note:
* To be settled on a cash basis.

Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no transactions with related parties during the current financial period (31 December 2024: A$142,000).

Notes to the Consolidated Financial Statements
31 December 2025

26. Financial information by segments

Management has determined the operating segments based on the internal reports which are regularly reviewed by the Operations Management that are used to make strategic decisions.

The Operations Management comprises of the Executive Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and the department heads of each operating segment.

The business is managed primarily on the basis of different products and services as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements.

The Group is organised into the following main business segments:

- Energy
- Resources
- Infrastructure, Marine & Defence

The business activities include heavy engineering, shipbuilding, modularisation, SMP (structural, mechanical, piping), EIC (electrical, instrumentation and control), precast concrete, site civil works, industrial insulation, maintenance, surface treatment, refractory and access solutions.

Although the Operations Management receives separate reports for each project in the Energy, Resources, and Infrastructure, Marine & Defence businesses, these have been aggregated into the respective reportable segments as they have similar long-term average gross margins.

Notes to the Consolidated Financial Statements
31 December 2025

26. Financial information by segments (continued)

Basis of accounting for purpose of reporting by operating segments

(i) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the consolidated financial statements of the Group.

(ii) Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reviewed quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.
Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs.

(iii) Segment assets and liabilities

The Group does not identify nor segregate its assets and liabilities in operating segments as these are managed on a 'group basis'.

Geographical segments (secondary reporting)

Revenue is based on the location of customers regardless of where the services are rendered. Non-current assets are based on the location of those assets:

	Revenue		Non-current assets	
	6 months ended		As at	
	31 December 2025 A$'000	31 December 2024 A$'000	31 December 2025 A$'000	30 June 2025 A$'000
Australia	380,443	502,861	590,414	588,964

Major customers

The Group has a number of customers to whom it provides both products and services. For the six-month ended 31 December 2025, the Group supplies to three (31 December 2024: three, Resources) major external customers in the Resources and Infrastructure, Marine & Defence segment. The major customers account for approximately 43.8% (2024: 59.0%) of external revenue.

Notes to the Consolidated Financial Statements

31 December 2025

26. Financial information by segments (continued)

	6 months ended 31 December 2025				6 months ended 31 December 2024			
	Energy A$'000	Resources A$'000	Infra-structure, Marine and Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infra-structure, Marine and Defence A$'000	Total A$'000
Revenue	59,637	222,658	98,148	380,443	28,114	406,943	67,804	502,861
Cost of sales (excluding depreciation)	(49,931)	(190,994)	(83,441)	(324,366)	(25,520)	(370,062)	(40,940)	(436,522)
Depreciation expenses	(1,462)	(7,343)	(2,406)	(11,211)	(482)	(8,912)	(1,162)	(10,556)
Segment results	8,244	24,321	12,301	44,866	2,112	27,969	25,702	55,783
Other income				**1,817**				1,452
Unallocated costs:								
Administrative expenses*				**(13,880)**				(16,726)
Depreciation in admin expenses*				**(63)**				(53)
Finance costs				**(2,510)**				(2,989)
Profit before income tax				**30,230**				37,467
Income tax expense				**(8,782)**				(10,974)
Profit for the period				**21,448**				26,493

	As at 31 December 2025				As at 30 June 2025			
	Energy A$'000	Resources A$'000	Infra-structure, Marine and Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infra-structure, Marine and Defence A$'000	Total A$'000
Segment assets:								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				1,056,398				906,810
Other current assets				8,438				4,001
Deferred tax assets				2,945				1,078
Total assets				1,067,791				911,899
Segment liabilities:								
Unallocated liabilities:								
Liabilities				456,414				307,349
Borrowings				60,000				60,000
Provisions				16,783				14,038
Total liabilities				533,197				381,387
Other segment information								
Capital expenditure during the period/year				1,056				4,815

* Administrative expenses above exclude depreciation which is disclosed separately above.

Notes to the Consolidated Financial Statements

31 December 2025

27. Subsequent events

There have been no subsequent material events that would require disclosure in the financial statements.

28. Other disclosures

There were no significant seasonal factors affecting the business during the current financial period.

Directors' Declaration

In accordance with a resolution of the directors of Civmec Limited, the directors of the Company declare that:

1. the condensed interim consolidated financial statements and notes, as set out on pages 4 to 38, are in accordance with the *Corporations Act 2001* (and *Singapore Companies Act 1967*) including:
    a. comply with Accounting Standards AASB 134: Interim Financial Reporting (and its international equivalent IAS 34 and SFRS(I) 1-34); and
    b. giving a true and fair view of the financial position of the Group as at 31 December 2025 and its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with resolution of the Directors.

James Finbarr Fitzgerald	Patrick John Tallon
Executive Chairman	Chief Executive Officer
Civmec Limited	Civmec Limited
12 February 2026	12 February 2026

MOORE

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CIVMEC LIMITED

Report on the Interim Financial Statements

Conclusion

We have reviewed the accompanying condensed consolidated interim financial statements ("Interim Financial Statements") of Civmec Limited ("the company") and its controlled entities ("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, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Review Conclusion by Moore Stephens LLP

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Interim Financial Statements do not give a true and fair view of the financial position of the Group as at 31 December 2025, and of its financial performance, its changes in equity and its cash flows for the half-year period ended 31 December 2025 in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting.*

Basis for Conclusion by Moore Stephens LLP

We conducted our review in accordance with Singapore Standard on Review Engagements 2410: *Review of Interim Financial Information 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.

Review Conclusion by Moore Australia Audit (WA)

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Statements of the company 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 of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001.

Basis for Conclusion by Moore Australia Audit (WA)

We conducted our review in accordance with Auditing Standards on Review Engagements 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

MOORE

Responsibility of the Directors for the Interim Financial Statements

The directors of the company are responsible for the preparation of the Interim Financial Statements that gives a true and fair view in accordance with Australian Accounting Standard AASB 134 and SFRS(I) 1-34 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the Interim Financial Statements 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 Interim Financial Statements

Our responsibility is to express a conclusion on the Interim Financial Statements based on our review.

ASRE 2410 requires Moore Australia Audit (WA) to conclude whether anything has come to their attention that causes them to believe that the Interim Financial Statements is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001.*

A review of the Interim Financial Statements 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 Singapore Standards on Auditing or 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.

MICHELLE CHONG
PARTNER

Singapore 12th February 2026

Moore Stephens LLP

MOORE STEPHENS LLP
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

SUAN-LEE TAN
PARTNER

Perth 12th February 2026

MOORE AUSTRALIA

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS