verbrec
evolution engineered

Enabling a sustainable future.

ANNUAL REPORT 2025

Leveraging 30+ years of deep expertise and technology across the whole asset lifecycle.

FY25 CONTENTS

Additional documents available to view at:

verbrec.com

DISCLAIMER

This Annual Report may contain forward looking statements, guidance and statements of a general nature regarding the industries, markets and geographies which Verbrec serves. Albeit statements of this nature reflect the Company's opinion and expectations as at the date of this Annual Report, they cannot be relied upon as guarantees or accurate predictions of future performance or outcomes.

Except as required by law and the ASX Listing Rules, Verbrec does not intend to publicly update or review any forward-looking statements or statements of a general nature should the underlying assumptions change, or future events transpire differently to expectations.

GROUP HIGHLIGHTS

FINANCIAL HIGHLIGHTS

2025 IN REVIEW:

RETURN TO NET CASH POSITION
$2.3M – last year $(2.0)M

EBITDA
$7.9M 9.3% - last year 9.4%
EBITDA % maintained on lower revenue

GROSS MARGIN UP
37.3% from 35.8% Strategic Focus of what Verbrec does well

STRONG NET OPERATING CASH INFLOW
$6.5M (last year $2M) inflow – strongest since 2020

NET PROFIT AFTER TAX
$3.7M (last year $1.9M)

DIVIDEND APPROVED
The Board of Directors approved a Final Dividend for FY2025 of 0.1cps
$5.7M of franking credits available

$M	2021	2022	2023	2024	2025
REVENUE	97.4	121.4	109.9	93.4	**85.6**
GROSS PROFIT	26.8	35.4	26.9	33.4	**32.0**
GROSS PROFIT MARGIN	27.5%	29.2%	24.5%	35.8%	**37.3%**
EBITDAI / EBITDA	0.3	3.0	(2.90)	8.8	**7.9**
EBITDAI / EBITDA MARGIN	0.3%	2.5%	(2.6%)	9.4%	**9.3%**
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	(4.5)	(3.2)	(9.5)	2.0	**3.8**
NET CASHFLOW FROM OPERATIONS	(1.6)	3.1	(3.9)	2.0	**6.5**

SAFETY HIGHLIGHTS

SAFETY. ZERO HARM, ALWAYS:

411 SAFETY LEADERSHIP CONVERSATIONS

735 HSEQ LEADERSHIP CONVERSATIONS

9YRS SINCE LAST LOST TIME INJURY

35 HAZARD REPORTS SUBMITTED

	LTIFR	MTIFR	TRIFR
FY16	1.14	1.14	2.28
FY17	0	2.39	3.59
FY18	0	1.45	4.35
FY19	0	0	0
FY20	0	0	0
FY21	0	0	0
FY22	0	4.35	8.70
FY23	0	1.20	6.02
FY24	0	0	4.58
FY25	**0**	**3.48**	**3.48**

DELIVERING OUR AMBITION

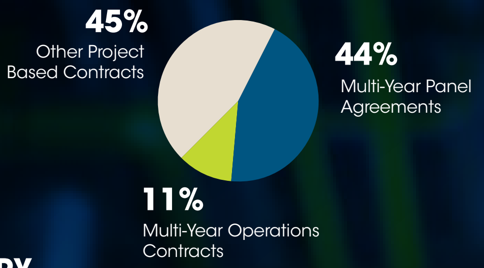
LONG TERM CONTRACTS WITH RELATIONSHIP CLIENTS:

20 KEY ACCOUNTS

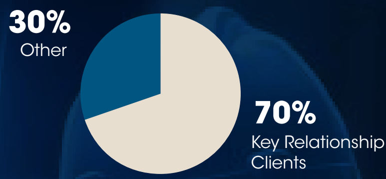
41 MULTI-YEAR PANEL AGREEMENTS

13 MULTI-YEAR OPERATIONS CONTRACTS

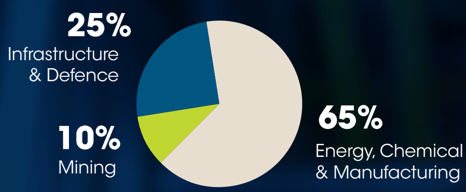
PROPORTION OF REVENUE:



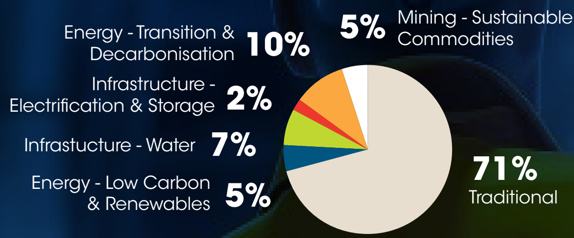
REVENUE FROM KEY RELATIONSHIP CLIENTS:



INDUSTRY SEGMENTS:



SUSTAINABLE FOCUS AREAS:



OPERATIONAL HIGHLIGHTS

OPERATIONAL EXCELLENCE:

- Continued strong project delivery performance, with the entire portfolio of 1600+ active projects for FY2025 achieving a Cost Performance Index (CPI) of 1.19 at aggregate.
- 1600+ projects contributing to FY2025 delivered above bid margin at aggregate with highest gross margins in more than 6 years.
- Net project write-ups of 6.7%.
- Overall win rates ($:$) lifted on tenders from 36% in FY2024 to 44% in FY2025 demonstrating superior relationships with our Key Clients.
- Key Client Win rates ($:$) reaching 54% for FY2025.
- De-risked project delivery with proportion of revenue from reimbursable projects up from 62% in FY2024 to 63% in FY2025.
- Minimal access to contingency on Fixed Price projects demonstrating robust project control.

TRANSFORMATION ACHIEVEMENTS:

- Continued our drive toward a more sustainable and socially responsible portfolio, with 35% of revenue derived collectively from; 1) Low carbon, decarbonization and energy transition space, 2) Electrification and Energy Storage, Water Security and Defence, 3) Sustainable commodities and 4) Manufacturing and Chemicals.
- Continued investment on the core, strategically aligned, Competency Training business, with a new Belmont WA office and further expansion internationally into Europe and the Americas.
- Appointed a General Manager – Growth and Energy Transition to provide further focus on raising Verbrec's industry profile, forging partnerships with technology providers and driving growth via our existing key accounts
- Launched an Artificial Intelligence (AI) preparedness and adoption study to develop a roadmap for FY2026 and beyond.
- Commenced development of a new Document Management and Project Hub to be rolled out through FY2026.

COST CONTROL ACHIEVEMENTS:

- Reduced the cost of conversion for proposals from 3% in FY2024 to 2.6% in FY2025.
- Drove down Software costs by removing $0.2m in software license fees across various software packages.
- Drove down corporate overhead costs with H2 FY2025 14% lower than H1 FY2025, driven by savings in Labour, Real-estate, Insurance and Software.
- Focus on controlling overhead per billable hour to ensure the business is scalable.
- Continued focus on resource utilisation through increased workshare across Business Units reducing non-billable time. Workshare hours up 7 fold FY2024 to FY2025.

PEOPLE ACHIEVEMENTS:

- Appointed a new GM People and Capability, restating our commitment to our greatest asset and revitalizing our approach.
- Expanded on the internal Learning and Development platform to improve the direction of staff into learning using rule based target audiences based on their roles within the organisation.
- Implemented stage 2 of a new skills management platform to compliment the L&D platform and further reduce barriers to workshare.
- Re-developed our P&C roadmap for FY2026 and beyond.
- Released a broad staff reward and recognition scheme aligned to over-performance of budget and driven by company, team and personal goals.
- Drove down annual attrition for FY2025 with a 9.4% reduction from FY2024.

OUR PURPOSE

ENABLING A SUSTAINABLE FUTURE FOR OUR CLIENTS AND THEIR CUSTOMERS.

AMBITION

We will be recognised as partner of choice in enabling sustainable solutions.

MISSION

Our diverse team delivers fit-for-purpose solutions across the full asset lifecycle, giving our clients a competitive edge by making their projects and operations more efficient, sustainable, and future-ready.

HOW WE CREATE VALUE

This diagram illustrates how Verbrec delivers value by combining our core capabilities, resources, and unique partnership model to generate strategic and sustainable outcomes

INPUTS

PEOPLE

Cross-disciplinary talent enabling impact and delivering on our purpose

FINANCE

Active capital management, strong liquidity

RELATIONSHIP CLIENTS

Trusted partner status across critical industries

SUSTAINABLE SECTOR FOCUS

Deep expertise in gas infrastructure and energy transition

TRAINING AND TECHNOLOGY

RTO-accredited training capability and StacksOn, digital Twin offerings

VALUE DELIVERY

VALUES

Our values underpin both our purpose and ambition.

SAFETY

Zero harm, always.

Safety is a priority in everything we do to ensure zero harm to our team members, our clients and partners. Our safety culture is leadership-driven and backed up by comprehensive, robust, practical and ISO-certified systems and procedures.

TEAM MEMBERS

We value our greatest asset.

It is our people who deliver for our clients and who go the extra mile to meet their needs. We care for the needs of each other, as well as those of our clients and the communities in which we work.

HOW WE CREATE VALUE

Our integrated service offering is built around long-term partnerships. Our relationship-based delivery model enables us to support our clients through every phase of an asset's lifecycle, from concept through to decommissioning, with a relentless focus on safety, efficiency, and sustainable performance.

VERBREC'S PARTNERSHIP MODEL

1. Value-Add Engineering

We partner early with key clients to deliver critical studies and engineering innovative solutions that reduce capital investment and unlock long-term value from their assets.

2.Construction & Commissioning

Our partnership model continues beyond design. With constructability embedded in our approach, we provide turnkey construction and commissioning services that ensure safe, efficient, and seamless project delivery.

3. Asset Management

We enable operational readiness and implement asset life extension programs that support long-term performance. Our asset management strategies help clients optimise reliability, availability, and cost-efficiency.

4. Operation & Maintenance

Verbrec operate approximately 1,800 KMs of gas pipelines across Australia.

Verbrec excels at on-site management, operations and maintenance pipelines and process plant.

5. End of life & Decommissioning

We support asset repurposing or decommissioning when infrastructure reaches end-of-life, ensuring safety, environmental stewardship, and compliance.

Adding value to every stage in the lifecycle of an asset

OUTCOMES

PEOPLE-LED DELIVERY

400+ people employed

20% women

1600+ active projects

FINANCIAL RESILIENCE

$85.6M Revenue

EBITDA $7.9M (9.3%) - Last Year: 9.4%

SUSTAINABLE SECTOR FOCUS

41 MSAs

13 O&M Contracts

SUSTAINABLE SECTORS GROWTH

(35%) Sustainable focus areas projects

CAPABILITY-LED GROWTH

$7.8M Training Division Revenue

StacksOn Global re-seller agreement with Datamine

INTEGRITY

We are transparent. We do what is right.

Our integrity guides all our decisions and the way we interact with each other, our clients, suppliers and community. We pride ourselves on doing what we say we will do.

CLIENT DELIVERY

Quality. On time. On budget.

Providing outstanding service delivery is our mission. We hold ourselves accountable for delivering what we promised, when we promised it, and at the price we promised.

INNOVATION

Adding value by being a step ahead.

We constantly challenge ourselves to find smarter ways and better solutions for our clients: safer, lower cost, faster, lower risk and greater output. We work with our clients and measure ourselves on how much value our innovation adds.

OUR BUSINESS

We are a leading project delivery service company specialising in advisory, engineering, asset management, energy infrastructure, and training services across the entire asset lifecycle.

Our integrated offering enables us to deeply understand and support our clients' evolving priorities, particularly as they navigate the transition to a more sustainable future.

We help bridge the gap between conventional systems and lower-carbon solutions by focusing on key sustainable markets: gas transition, energy storage and electrification, sustainable mining, and water security.

By delivering the infrastructure, expertise, and capability our clients need, we enable the evolving energy landscape:

400+ TEAM MEMBERS

30+ AREAS OF EXPERTISE

14 LOCATIONS

1 PURPOSE

Through strong relationships built on trust, Verbrec enables a sustainable future for our Clients and their Customers.

TURN KEY SERVICES FOR THE FULL ASSET LIFECYCLE

OUR CORE SERVICES

verbrec engineering services

Innovative engineering and project delivery solutions to clients, from Concept to Detailed Design

verbrec asset management

Asset management solutions that increase efficiencies, reduce cost & improve productivity

verbrec industry training | CT COMPETENCY TRAINING a verbrec company

Under the trade name Competency Training, we offer Hazardous Area, High Voltage and Renewables Training.

verbrec infrastructure services

From Project Inception through Procurement and/or Construction, Commissioning, and On-Site Operations and Maintenance

OUR PRODUCT

StacksOn

A digital twin for stockyards.

StacksOn™ is driving savings worth millions. Prevent off-spec shipments & increase yard throughput.

OUR MARKET ECOSYSTEM

We're helping customers in traditional sectors decarbonise while shaping the future of our markets in sustainability.

4 TRANSITION MARKETS

- ELECTRIFICATION/ ENERGY STORAGE
- GAS MARKET TRANSITION
- SUSTAINABLE MINING
- WATER SECURITY

3 CORE MARKETS

- ENERGY
- MINING
- INFRASTRUCTURE

Helping our customers shift their operations towards a more sustainable future

CORE MARKETS

ENERGY

Sustainable Sectors

Gas Transition & Decarbonisation

- LNG Import Facilities
- Peaking Gas Solutions
- Hydrogen
- CCS implementation
- Biogas
- Sustainable Fuels

Low Carbon and Renewable Electricity

- Geothermal
- Hydro
- Wind
- Solar

INFRASTRUCTURE

Sustainable Sectors

Electrification & Energy Storage

- BESS
- Pumped Hydro
- New Storage technologies (EG-CAES, Gravitational)

Water Security

- Supply solutions – Desalination technologies
- Integrated Water Management
- Control Systems and industrial process
- Pipeline and pumping station design

MINING

Sustainable Sectors

Sustainable Resource Development

- Owner engineering
- Software Solutions
- Feasibility Studies

Operational Efficiency & Decarbonisation

- Asset Optimisation
- Automation and Control
- Decarbonisation Solutions
- Water and Waste Management
- Stockyard Efficiency Solutions

CHAIRMAN'S LETTER

" As we have achieved several periods of consistent profits, of improved profit margins and we are now in a net cash position, I am delighted we can reintroduce dividends for our shareholders.

With greater stability in our bottom-line performance and improvements to our balance sheet, there are opportunities for investment and growth that, until recently, have not been readily available for Verbrec to consider or pursue."

On behalf of the Board and management I am proud to present this Annual Report for FY2025 which is a vindication of the quiet optimism about the future for Verbrec we have held in recent years.

We experienced a measurable slowdown in revenue generation and deferred projects in the lead up to the last Federal Election and also as a result of the SE Qld Cyclone Alfred event. The communication of temporary macroeconomic trends at the half-year resulted in increased on-market trading and volatility in our share price. Post the election, changes in Government attitudes to the role of gas in the energy transition has been welcomed by the industry. To the long-standing shareholders who weathered that period with us, we give our heartfelt thanks for your continued support and conviction.

In FY2025 our management team, led by your CEO, Mark Read has produced a strong profit margin result despite slightly lower revenues. It is through outstanding delivery to our core relationship clients and our focused pursuit of operational efficiencies that we have achieved a total comprehensive profit of $3.8 million in FY2025 (FY2024: $2.0 million).

With greater confidence in the long-term stability and profitability of the Company, I am pleased to announce the first small dividend for shareholders in over ten years.

STRATEGY & OPERATIONAL REVIEW

Our purpose is to enable a sustainable future for our clients and their customers. We achieve this through diligent focus on delivering value for our clients and leveraging the considerable talents of our people to expand the capability of our teams in the sectors that we serve.

In FY2025 we continued to solidify our brand and presence as an engineering and project services provider with 65% of our revenues generated from Australia and New Zealand's need for greater energy security. We focus on Electrification, Energy Storage and the Gas Market Transition including burgeoning contributions from Biogas.

The market's need for innovative and diversified energy solutions is only increasing and Verbrec is well positioned to take advantage of the evolving energy landscape.

FINANCIAL PERFORMANCE

I am pleased to report that in FY2025 we have again improved our gross margin performance producing the highest gross margins since 2015 (FY2025: 37.3% , FY2024: 35.8%).

This is a remarkable result given that in FY2025 revenues were temporarily depressed for some months due to the deferral of projects and reduced sustaining capital spend by our clients for the reasons noted above.

The Board credits this result to the disciplined focus from our management teams across Australia and New Zealand on undertaking economically favourable projects, controlling labour utilisation and reducing unnecessary overheads.

SAFETY

The health and safety of our people, stakeholders and the communities we serve remains paramount for the Board and indeed everyone at Verbrec.

We endeavour to continuously improve our safety culture and processes, and it is with pride I can report zero lost time injuries for the ninth consecutive year.

PEOPLE

The Board recognises the contributions of the approximately 400 people who make up Verbrec. We are a people business.

In a competitive environment, it is more important than ever to dedicate ourselves to attracting and retaining the best people, sharpening their skills and increasing the capability of our people to meet the needs of our relationship clients.

In H2 FY2025 we appointed a new General Manager of People & Capability, Debra Mair. She and the whole executive are focused on creating an employee value proposition and training programs to promote a culture that places a high value on client delivery, innovation, responsibility, performance and safety.

BOARD OF DIRECTORS

It is my privilege to lead our dedicated Board of Directors who contribute valuable insights and relevant experience to support our management team in delivering on our strategic goals, restoring shareholder value and providing effective stakeholder management.

We will continue to explore options to expand our Board as the need arises, but currently, I am comfortable that the small team of committed and accomplished non-executive directors is sufficient.

SHAREHOLDER VALUE AND GROWTH

A fundamental objective of the Board and the CEO is to consider the best use of capital to grow shareholder value.

We regularly consider our capital allocation options and opportunities for organic growth, strategic restructuring, strategic acquisitions and distributions to shareholders.

As we have achieved several periods of consistent profits, of improved profit margins and we are now in a net cash position, I am delighted we can reintroduce dividends for our shareholders.

Although modest initially, I trust our shareholders take this as a sign of our confidence in the management team, and the strategic direction and stability of the business that we have all worked so diligently to achieve.

OUTLOOK

Despite some temporary challenging macroeconomic conditions in FY2025, the Board and I are unanimously optimistic for the future of Verbrec.

We continue to grow our services offering and expand our capability in the energy security, infrastructure, defence and mining space. We are well placed to take advantage of industry trends and the evolving energy landscape.

With greater stability in our bottom-line performance and improvements to our balance sheet, there are opportunities for investment and growth that, until recently, have not been readily available for Verbrec to consider or pursue.

ACKNOWLEDGMENT

I thank our resilient Board, management team and all the people at Verbrec for their dedication and contribution to a successful and profitable FY2025.

We will continue to build long-term value for all our stakeholders and continue to hold our long-term shareholders in high regard.

OUR BOARD OF DIRECTORS

Read teams' full bio's here.

Phillip Campbell
NON-EXECUTIVE CHAIR

Brian O'Sullivan (AM)
NON-EXECUTIVE DIRECTOR

Matthew Morgan
NON-EXECUTIVE DIRECTOR

CEO'S LETTER

"We live and breathe our strategy and the consistency of our results is evidence that we've found our footing.

In FY2026, Verbrec will continue to deliver on its strategy, aligned with industry tailwinds as Australia and New Zealand seek to improve their energy security from an increasingly diversified energy mix."

I proudly present Verbrec's Annual Report for the financial year ended 30 June 2025.

Building on the momentum from 2024, we continue to deliver on our strategy achieving another profitable year marked by multi-year highs in gross margins, cashflow from operations and comprehensive profits.

FINANCIAL PERFORMANCE

Verbrec delivered a total comprehensive profit of $3.8 million (FY2024: $2.0 million), the highest since FY2015.

On a continuing operations basis, EBITDA margins have remained robust over the last two years with FY2025 at 9.3% and FY2024 at 9.4%. These EBITDA margins are the highest that Verbrec has produced since FY2013 and shows that our adherence to our revised strategy and optimising performance is achieving the desired effect.

At the end of the period, the group held cash and cash equivalents of $7.1 million (FY2024: $4.6 million) with a return to a net cash position of $2.3 million (FY2024: ($2.0) million net debt). This improvement in cash position gives us flexibility to invest in growth.

Revenue for the period was $85.6 million (FY2024: $93.4 million), temporarily impacted by external factors including political uncertainty in the USA and Australia, and the impacts of Cyclone Alfred in Queensland. It is our expectation that the deferral of projects that resulted from these external factors ought to ease in FY2026 onwards.

Encouragingly, in May 2025 we announced $11 million of new contracts in South Australia, including defence related projects, a sector where the project deferral trend was most prevalent in the lead up to the Australian Federal election.

OPERATIONAL PERFORMANCE

Our project delivery continues to improve, with a record gross margin of 37.3% in FY2025 (FY2024: 35.8%). Over 1,600 projects were delivered above bid margin, resulting in an average project net profit write-up of 6.7%. More simply this means that the people delivering our projects better understand their scopes, are pricing effectively and are delivering more efficiently than planned.

Despite reduced client capital spend, our talented teams pursued those opportunities with determination, resulting in an improved win-rate on tenders to 44% in FY2025 (FY2024: 36%). This win rate may normalise over time as budget restrictions from client's ease and the opportunity pipeline increases.

We also focused on reducing overheads with a 14% reduction in corporate overheads in H2 FY2025 compared to H1 FY2025. It is our aim to maintain a lean corporate overhead base as we move into the next growth phase to increase the proportion of revenues that convert to bottom line profits.

STRATEGY

We live and breathe our strategy and the consistency of our results is evidence that we've found our footing.

SUSTAINABLE FOCUS AREAS

Verbrec enables a sustainable future for our clients and their customers. As Australia and New Zealand drive for greater energy security and the energy mix continues to evolve, Verbrec is ready to meet the needs of our clients and the growing demand for sustainable energy solutions.

In FY2025 Verbrec generated 35% of its revenue from our Sustainable Focus Areas of Electrification & Energy Storage, Gas Market Transition, Sustainable Mining and Water Security.

As we continue this journey, Verbrec is poised to take advantage of industry trends and to respond to client demand, driven by the evolving energy landscape. To further this ambition, we have appointed a General Manager of Growth and Energy Transition to the executive leadership team.

RELATIONSHIP CLIENTS

The strength and health of our relationships with our clients is directly correlated with the prosperity of Verbrec and the return we produce for our shareholders.

In FY2025, 69.9% of Verbrec's revenues were generated by 20 Core Relationship Clients compared to 68.2% from those clients in FY2024.

By focusing our efforts on strengthening client relationships, we are positioning ourselves with like-minded customers to enable a sustainable future.

BEST PEOPLE, GREAT TEAMS

We recognise that we are a people business and that our people are our most important asset.

In H1 FY2025, I have appointed a new General Manager of People & Capability to the executive leadership team.

With dedicated focus on attracting and retaining the best employees, we can ensure that we have the capability that's needed to continue to deliver for our relationship clients.

BUILD CAPABILITY

Diversifying and expanding our capability set is a core pillar of our strategy. That comes from attracting the best people and forging strong relationships with technology owners and developers to bring innovation to the Australian and New Zealand energy market.

The General Manager of Growth and Energy Transition has been active in this area, raising Verbrec's profile and forging various strategic partnerships with technology owners which we see beginning to yield results in FY2026.

DELIVERY

It is increasingly important to deliver on our promises to our relationship clients, providing quality services to their schedule requirements, within their budget expectations. It's one of the key measures that clients use to evaluate partnering with Verbrec on their critical programs of work.

We endeavour to ensure that any performance and reward system we have in place at Verbrec is aligned with this core pillar of our strategy.

Delivery, when done right, reduces the cost of selling and increases low friction repeat business from clients who need a reliable delivery partner.

OUTLOOK

In FY2026, Verbrec will continue to deliver on its strategy, aligned with industry tailwinds as Australia and New Zealand seek to improve their energy security from an increasingly diversified energy mix. We expect the primary source of revenue from the company to continue to come from our engineering services, particularly in the gas market transition sector.

From this baseline, Verbrec are well positioned to generate revenues from both the mature traditional gas and energy sector, along with developing sectors such as energy storage, bio-gas, bio-methane, carbon capture and storage and other developments to utilise gas as a peaking fuel.

We also have proven experience delivering smart mining solutions to the copper sector and as demand for this commodity continues from strength to strength, we aim to be there to support the programs of work that eventuate. In the commodities where price pressures are increasing, our Asset Management business is working with our clients to reduce costs and improve production efficiencies.

Verbrec traditionally supports the infrastructure, defence, water and mining sectors, particularly in the electrical, automation and control space. These sectors were some of the most heavily affected by the political uncertainties in FY2025, with deferred capital spend and restrained budgets noted as a clear trend. As we move into FY2026, we expect these trends to ease and we look forward to capitalising on our opportunity pipeline as client budgets are approved and projects commence.

We continue to develop the capability of our digital twin for stockyards, 'StacksOn', as we seek to expand the customer base, both through direct sales and via our recent global reseller agreement with Datamine.

INVESTING IN GROWTH

We have strengthened our profit margins and are tightly controlling overhead expenditure, resulting in a cash position to invest in growth. We have some avenues to consider including investments in organic growth, geographic expansion and if an attractive opportunity arises, strategic acquisitions.

Now that the Company has found a stable and profitable baseline, with macro-economic headwinds easing, we are aiming to grow our revenues.

ACKNOWLEDGEMENT

I commend all the people at Verbrec for their contributions to the FY2025 financial results.

With steadfast support from an experienced Board of Director's we've continued to deliver on the refreshed strategy outlined in last year's annual report.

To our shareholders, thank you for your continued support and investment in Verbrec.

We are confident in a bright and prosperous future for Verbrec.

OUR EXECUTIVE TEAM

Read teams' full bio's here.

Mark Read
CHIEF EXECUTIVE OFFICER

Richard Aden
CHIEF FINANCIAL OFFICER

Brad Love
EXECUTIVE GENERAL MANAGER

Joel Voss
COMPANY SECRETARY, CONTRACTS & PROCUREMENT MANAGER

Tracey Campbell
GENERAL MANAGER COMPETENCY TRAINING

Soheil Taherian
GENERAL MANAGER EAST

Debra Mair
GENERAL MANAGER, PEOPLE AND CAPABILITY

Tony Petruzzelli
GENERAL MANAGER SOUTH

Erik Vandenberg
GENERAL MANAGER, GROWTH & ENERGY TRANSITION

Peter May
GENERAL MANAGER, NEW ZEALAND

Dominic Wood
GENERAL MANAGER ASSET MANAGEMENT

Mark Forster
GENERAL MANAGER, SOFTWARE SOLUTIONS STACKSON

Jarrod Woolnough
GENERAL MANAGER OPERATIONS & MAINTENANCE

Brian O'Toole
GENERAL MANAGER WEST


We're delivering a sustainable change for our Clients and their Customers.

NAVIGATING ENERGY TRANSITION: THE WORLD WE OPERATE IN

Evolution is engineered—our role is to enable the infrastructure and systems that make energy transition practical, secure and achievable.

At Verbrec, we operate at the heart of evolving energy, infrastructure and resources markets, supporting our clients as they navigate the intersecting demands of energy security, affordability, and decarbonisation. The impacts of the energy trilemma are strongly felt across Australia and New Zealand, driven by changing demand patterns, aging infrastructure, and a complex policy landscape. Our role in enabling this transition has never been more relevant.

REGIONAL OUTLOOK: A SYSTEM IN TRANSITION

Australia's energy system is undergoing rapid and unprecedented change. The **2024 Integrated System Plan** (AEMO) outlines the need for major investment in transmission, firming capacity, and storage to meet reliability and decarbonisation targets. Coal retirements are accelerating, and by 2030, over **90% of generation is projected to come from renewables**, requiring large-scale deployment of batteries and gas firming.

Despite increasing renewable generation, AEMO's **Q2 2025 Quarterly Energy Dynamics** report highlighted continued volatility, with wholesale price fluctuations and supply pressures in southern gas markets. Storage and transmission constraints combined with weather variability have tested system resilience.

In parallel, the **Future Gas Strategy** underscores gas's continued role through the energy transition. While long-term use is expected to decline under net-zero scenarios, gas remains critical for industrial processes, seasonal energy balancing, and supporting the shift away from coal in the near term. New supply developments, infrastructure upgrades, and regulatory certainty are key enablers.

KEY TRENDS SHAPING OUR MARKETS:

- **ENERGY STORAGE & ELECTRIFICATION:** The scale-up of utility-scale batteries, grid stability tools, and smart electrification projects is central to decarbonisation. Verbrec is already enabling this shift through BESS infrastructure, control systems, and lifecycle asset support.
- **GAS TRANSITION:** Gas continues to play a stabilising role—bridging the transition while infrastructure, demand flexibility, and clean hydrogen alternatives mature. Gas stays and is named as a dominant driver of Australia's nation building resource projects over coming decades - $36 billion in $77 billion pipeline. Seeing increased short-term focus on gas. We are working across the full spectrum of gas infrastructure to enable this responsibly.
- **SUSTAINABLE MINING & INFRASTRUCTURE:** Growth in electrified transport and renewables is driving demand for critical minerals. Our work supports mining clients through process optimisation, decarbonisation planning, and long-term infrastructure solutions.

SHAPING OUR STRATEGIC DIRECTION

These dynamics form the foundation of our strategic focus. As the energy landscape evolves, we remain grounded in delivering reliable, safe and affordable infrastructure while enabling decarbonisation through practical, innovative engineering solutions. Our integrated services, deep sector expertise, and proven delivery across the asset lifecycle position us to support clients with confidence today and into the future.

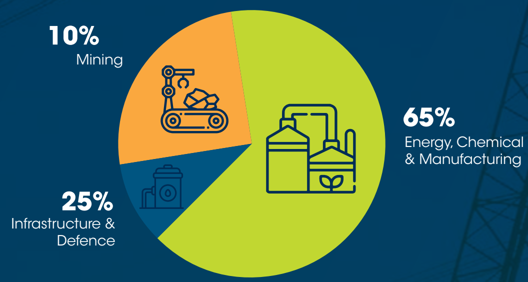
...OUR RESPONSE

Our partnership model and asset lifecycle capabilities enable us to bridge the gap between traditional systems and emerging solutions. With agility and technical depth, we support sustainable growth and operational excellence across the transitioning markets we serve.

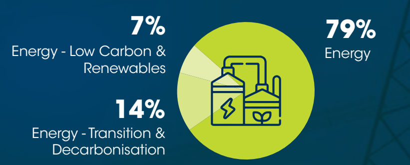
CAPTURING THE OPPORTUNITY

Our awarded contracts are already moving into our Sustainable Focus Areas. Improving sustainability outcomes for major projects in Australia, New Zealand, PNG & Pacific Islands.

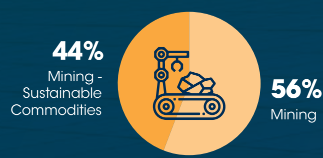
BROAD SECTOR SPLIT



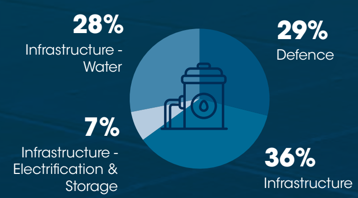
ENERGY, MANUFACTURING & CHEMICAL



MINING



INFRASTRUCTURE & DEFENCE



1. International Energy Agency (IEA), World Energy Outlook 2023 – Net Zero Emissions Scenario 2. International Energy Agency (IEA), Global Critical Minerals Outlook 2024 3. Australian Energy Market Operator (AEMO), 2024 Integrated System Plan (ISP), June 2024 4. Australian Energy Market Operator (AEMO), Quarterly Energy Dynamics Q2 2025, July 2025 5. Department of Industry, Science and Resources, Future Gas Strategy – Analytical Report, May 2024.

OUR STRATEGY FOR GROWTH

Our strategy is shaped by the shifting needs of our relationship clients, responding to the accelerating investment in energy security and the need to match our capability to evolving sustainable solutions across Australia and New Zealand.

In a world where clients are navigating complex energy and infrastructure transitions, our strategy bridges traditional and emerging markets with a clear focus on where we hold a competitive edge. It enables us to deliver long-term value through our strategic pillars. These pillars form the foundation of our strategy, guiding how we grow, how we deliver, and how we create value for our clients, people, communities, and shareholders.

RELATIONSHIP CLIENTS	BEST PEOPLE, GREAT TEAMS	BUILD CAPABILITY	DELIVERY & OPERATIONAL EXCELLENCE
Be the provider of choice for our chosen clients	Growing a culture around the best people and teams	Embracing new technologies and skills critical to becoming an enabler of client success	Deliver on our promises, on time, on budget

OUR STRATEGIC LEVERS FOR ORGANIC GROWTH

To drive sustainable growth, we focus on four strategic levers: **Organic Growth, Geographic Expansion, Energy Transition, and Mining Technology Solutions**. These levers enable us to build on our strengths, deepen client partnerships, expand into new markets, and innovate with technology.

By executing across these areas, we are well-positioned to deliver lasting value for our shareholders and clients in a rapidly evolving energy and resources landscape.

RELATIONSHIP CLIENTS

- **Leveraging strong client relationships** to grow into adjacent services and increase market share.
- **Grow organically** as current clients expand into new geographies and markets.
- **Grow sustainable repeatable revenues** from multi-year panel agreements and key relationship clients.

ENERGY TRANSITION

- **Secure early-phase renewable and sustainability projects** to establish a strong foothold and pipeline for future growth.
- **Utilise full-life cycle capability** to secure downstream phases as investments progress.
- **Partner with technology** providers to provide an end to end solution for our clients.

GEOGRAPHICAL EXPANSION

- **Solidifying presence in Western Australia** through Operations & Maintenance and Asset Management, enabling broader service delivery in this key region.
- **Increase our responsiveness** to high growth areas of the economy such as copper mining in South Australia.
- **Pursue new regional and international opportunities** through targeted business development and strategic partnerships or acquisitions

MINING TECHNOLOGY SOLUTIONS

- **Continued enhancement of StacksOn functionality** is delivering measurable value to mining operations that have adopted the platform.
- **Leveraging success and sector relationships** to expand in the Western Australian iron ore market.
- **Targeted growth for StacksOn into other commodity sectors** where stockpile grade control is critical to operational efficiency and product quality.

STRATEGIC INITIATIVES TO REWARD SHAREHOLDERS AND FUEL GROWTH

In FY2025, the Board resolved to return a dividend to shareholders. The Company considers three key elements when determining how to best utilise capital to produce returns for shareholders.

ORGANIC GROWTH AND GEOGRAPHIC EXPANSION	STRATEGIC ACQUISITIONS	DIVIDENDS
Capitalise on Verbrec's organic growth strategy by leveraging the Company's balance sheet to invest in initiatives that fuel organic growth, increase capability to meet client demand and expand the Company's geographic reach.	Where attractive terms are available, utilising the company's balance sheet and equity to invest in strategic acquisitions that increase revenues, add capability, expand reach and realise optimisations & synergies.	Rewarding shareholders through the distribution of dividend to ordinary shareholders.

Full life-cycle services for client projects and assets.

OPERATIONAL OVERVIEW

1.BUSINESS UNIT HIGHLIGHTS

A. ENGINEERING

The Engineering business provides innovative engineering and project delivery solutions to clients, through our technical specialties, including automation & control, power, process plant and pipelines.

We support key relationship clients through multi-year panel agreements with their current and evolving needs throughout the energy transition.

In FY2025, the Engineering business' revenues (excluding asset management, operations & maintenance and StacksOn) were impacted by:

- Uncertainty created from instability in the global political landscape, which resulted in client's cancelling or deferring non-essential engineering works related to capital projects.
- Uncertainty related to the outcome of the Australian Federal Election in 2025.
- Industry wide competition for professional labour with skills applicable to the evolving energy landscape, particularly Electrical engineering resources in Queensland, South Australia and Western Australia.

The growth strategies for this business unit, continuing into FY2026, include:

- Raising Verbrec's profile in the energy transition through the appointment of a focused General Manger – Growth and Energy Transition.
- Support key relationship clients through long term panel contracts with their current and evolving needs through the energy transition.
- Maintain focus on target areas where Verbrec can add significant value to client assets and operations, thereby maximising gross margins as demand grows for experienced professional resources.
- Grow capabilities in key areas of transition to electrical economy with traditional and alternate gas support, such as Biogas and Hydrogen.
- Forge partnerships with equipment manufacturers and developers to leverage our extensive talent pool to contribute to the rapid change in the energy landscape.

B. ASSET MANAGEMENT

The Asset Management business specialises in asset management services including maintenance and reliability engineering, asset integrity, operational readiness, material and inventory management systems that increase efficiency, reduces costs and improves productivity.

Asset Management continues to produce strong margins and revenue reliability for Verbrec and remains a dominant service provider to the energy industry in Queensland and Papua New Guinea. In FY2025, Asset Management expanded its presence and offering into South Australia and Victoria, with the appointment of local resources to expand the footprint.

The key growth strategies for this business unit, continuing into FY2026, include:

- Target key markets of growth in Gas Market Transition, Electrification & Energy Storage, Water Security and Sustainable Mining.
- Strengthen and service more clients and assets in existing markets in QLD and WA.
- Build on the geographic expansion into South Australia and Victoria.
- Geographic expansion, increasing exposure to underserved markets including Papua New Guinea, New Zealand and Northern Territory.
- Pilot new areas of expertise including Master Data Online (MDO) and Capital Planning.

C. OPERATIONS AND MAINTENANCE

The Operations and Maintenance business (formerly Infrastructure Services) specialises in brown-fields construction and the long-term maintenance and operations of pipelines and process plant throughout Australia and New Zealand.

Operations and Maintenance secured the operations contract with Senex Energy to operate their Atlas to Reedy Creek (ARC) pipeline, building from the early Engineering completed by the Engineering business and the operational readiness works by the Asset Management business, demonstrating the true benefits of being a partner throughout the asset lifecycle.

In FY2025, the Operations and Maintenance business revenue was impacted by;

- Tropical Cyclone Alfred, which caused significant flooding in Queensland, making a large portion of the assets under operation inaccessible in Q4.

The key growth strategies for this business unit, continuing into FY2026, include:

- Securing multi-year operations and maintenance contracts.
- Delivering high quality solutions for the base services specified in the contract, whilst maximising revenues by securing additional scopes of works under those contracts.
- Predictable ongoing revenues from specified services and high margin additional services procured on an ad-hoc basis throughout the life of the contracts.
- Target new asset classes and address ongoing operations and maintenance needs in Gas Market Transition, Electrification and Sustainable Mining.
- Expand geographically as additional assets and pipelines under management are secured.
- Capital investment in tools and equipment to increase gross margins and reduce instances of third party hired in plant.

D. STACKSON™

StacksOn is the digital twin of choice for smarter and more efficient stockyards, enabling on-spec product in challenging conditions, whilst increasing throughout and reducing downtime.

In FY2025, Verbrec signed a reseller agreement with Datamine which has the potential to expand the product customer base. The specialised functionality of StacksOn compliments Datamine's integrated software solutions for the entire mining value chain. Through Datamine's established international customer base and market leading reputation, the Reseller Agreement has the potential to introduce the benefits of StacksOn to mining operations which would not otherwise be readily accessible to Verbrec alone.

StacksOn has become an integral part of the operations for the mining clients who have adopted it. The StacksOn team continue to pursue opportunities to further penetrate the West Australian iron ore market.

The key growth strategies for this business unit, continuing into FY2026, include:

- Diversify revenue generation through a blend of software license fees, ongoing support fees and consulting services.
- Maintain valued relationships with Iron Ore producers in Western Australia.
- Expand further into the WA region by adding value to miner's incumbent systems.
- Utilising strong client relationships, expand StacksOn to overseas Iron Ore Markets leveraging the reseller agreement with Datamine.
- Implement StacksOn to service other commodity sectors, by building on the recently awarded study works.
- Increase the utility of StacksOn in order to increase annual license revenue from each stockyard.
- Introduce a Run Of Mine (ROM) stockpiling capability to improve StacksOn deploy-ability into other commodities.

E. COMPETENCY TRAINING

Verbrec's training business, Competency Training (CT) provides electrical, high voltage and renewable energy training programs to the Energy, Mining and Infrastructure sectors, providing training services to support the evolution of the energy market, "electrify everything".

Verbrec's focus for FY2025 was on returning to the core and focusing on the High Voltage, Electrical Equipment in Hazardous Areas and related electrical training including our growing IECEx offering across the wider geographic footprint. CT outperformed budgeted profitability for FY2025 on near budgeted revenue.

In FY2025, revenue for CT was impacted by:

- Tropical Cyclone Alfred, which resulted in training courses cancelled and two locations in Brisbane closed for several days in the lead up and aftermath.

The highlights and key growth strategies for this business unit include:

- Target key areas of growth in Gas Market Transition and Electrification & Energy Storage
- Geographical expansion in order to more effectively capture the training needs of Australia and New Zealand, initially through partnerships.
- Established a new office in Belmont WA, providing greater capacity to service the WA market in a more central location.
- Establishment of more portable training equipment to meet client site training requirements.
- Expand CT's offering internationally through partnerships.

2. FOUNDATIONS FOR PROFITABILITY AND GROWTH

In FY2025 strong project performance and a focus on operational efficiency drove resilient EBITDA performance despite challenging market dynamics as a result of political uncertainty.

Chief Executive Officer, Mark Read and his executive leadership team:

- Improved operating efficiencies and reduced overhead burdens, resulting in corporate overheads being driven down 14% over the year.
- Delivered a portfolio of 1,600 projects, at a CPI of 1.19, and above bid margin.
- Drove down software costs by over $0.2m
- Demonstrated continued robustness in profitability, despite softer than budgeted revenue in the face of an uncertain market environment.
- Appointed a GM Growth and Energy Transition to elevate Verbrec's visibility, forge strategic partnerships and drive the Key Account Management program to achieve top line growth.

3. RELATIONSHIP CLIENTS

We are focused on the client's experience and endeavour to truly understand the needs and goals of our Core Relationship Clients. There has been no better demonstration of this in FY2025, than the journey with Senex Energy to support their ARC pipeline from Concept to FEED and Detailed Design via our Engineering business unit, through Operational Readiness with our Asset Management Business Unit and then onto operations with our Operations and Maintenance business unit.

In FY2025, 69.9% of Verbrec's revenues were generated by 20 Core Relationship Clients compared to 68.2% from those clients in FY2024.

A revitalised key account management program was piloted and launched in FY2024, further refined in FY2025 and will again be refined and focused in FY2026, driven by the GM Growth and Energy Transition.

4. BEST PEOPLE, GREAT TEAMS

People are our most important asset, and Verbrec is committed to sustaining a culture that attracts and retains the best people and fosters great teams.

In FY2025, despite extreme competition for professional labour resources, Verbrec decreased its voluntary employee turnover by a further 9.4% when compared to FY2024.

The appointment of a new General Manager, People and Capability has brought focus and energy as we continue to invest in our greatest assets.

A revitalisation of our employee value proposition and benefits program was complimented by a broader range of incentive programs focused on rewarding overachievement of KPIs.

Investment continued in learning and development with the early stage roll out of tailored onboarding and training based on role within the Verbrec business.

Further initiatives to drive staff engagement and retention are planned for FY2026 and beyond.

5. BUILD CAPABILITY

Verbrec leverages the considerable expertise of its talented workforce to meet the needs of our Relationship Clients.

As the evolution of the energy landscape continues to mature, Verbrec is committed to ensuring we embrace the technologies and skills critical to becoming the recognised partner for a sustainable future.

In FY2025, Verbrec expanded upon the learning and development platform rolled out in FY2024 with the pilot of a rule-based enrolment strategy replacing the traditional training matrix with logical tests running weekly to match staff with the training they need. Whilst in pilot in FY2025, this will be rolled out more holistically in FY2026.

Pursuing partnerships with developers and technology owners to enable the design, deployment and integration of sustainability technologies into the Australian and New Zealand markets remains a key driver for Verbrec. The General Manager, Growth and Energy Transition has been active in this area, raising Verbrec's profile and forging various strategic partnerships with technology owners which is expected to yield results in FY2026.

6. DELIVERY

To service our Relationship Clients, we must understand their drivers and deliver on our promises, on time and on budget.

Over 1,600 projects contributing to FY2025 revenues were delivered above their initial estimated bid margin and at a CPI of 1.19.

Owing to the strong performance, Verbrec achieved net project write-ups of 6.7%.

The proportion of rates reimbursable projects increased to 63.0% in FY2025 compared to 62% in FY2024, a result of Verbrec's ongoing commitment to more selectively assess the economic attractiveness of projects and limit the risks of write-downs experienced in prior years.

We continue to demonstrate superior understanding of the needs of our Relationship Clients increasing our tender win rate to 54% (FY2024: 36%) for these clients and 44% overall across all clients for the year.

Strong win rates on proposals resulted in work in hand for the group rising by more than $10m over the financial year, closing at $43m.

SECTOR OUTLOOK

The markets in which Verbrec operates are adapting to the evolving energy landscape as Australia and the Pacific seek to secure sufficient reliable energy supply whilst transitioning from traditional to renewable energy infrastructure.

ENERGY

Australia and New Zealand continue their strong pursuit of renewable energy investments, including solar, wind, hydroelectric power, and emerging technologies like green hydrogen, to meet their ambitious net-zero targets. Both nations have strengthened their commitments; Australia aims for net-zero by 2050, with interim milestones aligning with its broader climate strategy, while New Zealand has accelerated its emissions reduction goals, aiming for carbon neutrality by 2035.

Advancements in energy storage, smart grids, and digital infrastructure are rapidly accelerating the transition to cleaner, more resilient energy systems. New Zealand's proactive approach and early investments give it a closer edge toward a net-zero energy future, serving as a valuable case study for Australia to refine its transition strategy, ensuring a balance between sustainability and energy security.

Despite substantial investments in wind, solar, and hydro, New Zealand continues to face challenges due to the intermittency of renewable sources and the finite nature of its gas reserves. The country is actively exploring alternative storage solutions and renewable firming technologies, including green hydrogen and synthetic fuels, to mitigate reliance on fossil fuels.

Intermittency remains a critical challenge, demanding advanced energy storage, grid flexibility, and real-time management. Verbrec continues to focus on developing and implementing these sophisticated solutions, recognizing that a resilient grid in 2025 and beyond will rely heavily on a blend of renewable energy, energy storage, and natural gas as a stabilizing resource.

Future projections from AEMO indicate that gas demand in Australia will continue to grow, driven by increased renewable capacity and the need for grid stability. To support this, massive upgrades to existing energy infrastructure are underway, with renewable capacity expected to multiply several times over the next decade. Additionally, decarbonizing the gas industry remains vital, with significant investments directed toward producing low-carbon or green hydrogen to ensure a sustainable and secure energy supply.

Policy and regulatory frameworks continue to shape investment landscapes, emphasizing the importance of stable, long-term government support for renewable and decarbonization projects. Verbrec remains committed to supporting the energy sector's transition through expertise in Low Carbon Energy, Transition and Decarbonization, partnering with our key clients to enhance energy security and support sustainable growth.

At Verbrec, our focus is on creating a sustainable future for all and working collaboratively with our clients to develop innovative, resilient, and environmentally responsible energy solutions.

GAS TRANSITION AND DECARBONISATION

The transition from traditional natural gas to lower-carbon alternatives continues to be driven by policy frameworks globally, although increasingly, there is recognition that Gas will continue to play a significant role for decades. Verbrec design and implement technologies to reduce carbon emissions and improve energy efficiency in existing gas infrastructure.

The development of biogas and renewable natural gas (RNG) is also a focus and is gaining momentum as a cleaner alternative for the gas industry, with engineering efforts directed at integrating these into the existing gas grid. Advancements in carbon capture and storage (CCS) technologies are being explored to mitigate the environmental impact of gas usage during the transition period.

Verbrec is supporting its key clients to reduce their carbon footprint across Australia, New Zealand and beyond in multiple Biogas and CCS concept studies, FEEDs and detailed design projects.

Gas is an essential ongoing component of the overall energy solution, therefore ensuring that carbon emissions are reduced remains a key area of focus for the business and an area of continuing demand for our services.

CASE STUDY

ADVANCING CRITICAL ASSET MANAGEMENT FOR MOOMBA'S FIRST LARGE-SCALE CCS

GAS TRANSITION | CARBON CAPTURE & STORAGE (CCS)

We successfully completed the operational readiness program for Australia's first large-scale onshore Carbon Capture and Storage (CCS) project at Moomba, South Australia. Leveraging existing gas processing facilities and depleted reservoirs, the project targets one of the lowest lifecycle costs of any CCS project globally. Our team delivered asset validation and register development, equipment criticality assessments, maintenance strategy determination, technical maintenance instructions, spare parts analysis, and integrity and reliability management plans—all aligned with the client's operational standards.

This achievement marks a critical milestone in Australia's energy transition, supporting CCS as a key technology to reduce CO_2 emissions and advance the nation's net zero goals.

CASE STUDY

ENABLING LOW-EMISSIONS ENERGY THROUGH NEW ZEALAND'S FIRST AGRIBUSINESS BIOGAS FACILITY

GAS TRANSITION | RENEWABLE ENERGY | BIOGAS & BIOMETHANE

We have been engaged to deliver an options analysis and detailed feasibility study for a new biogas facility in the Auckland region. The study will assess optimal configurations and siting arrangements, providing the foundation for the next phase—engineering, procurement, and construction of the facility.

This pioneering project will be the first of its kind in New Zealand, enabling a food manufacturing and agribusiness operation to produce its own biogas. It represents a significant step in the nation's energy transition, reducing reliance on fossil fuels, diverting organic waste from landfill, and supporting the development of a resilient, low-emissions energy system.

LOW-CARBON ENERGY

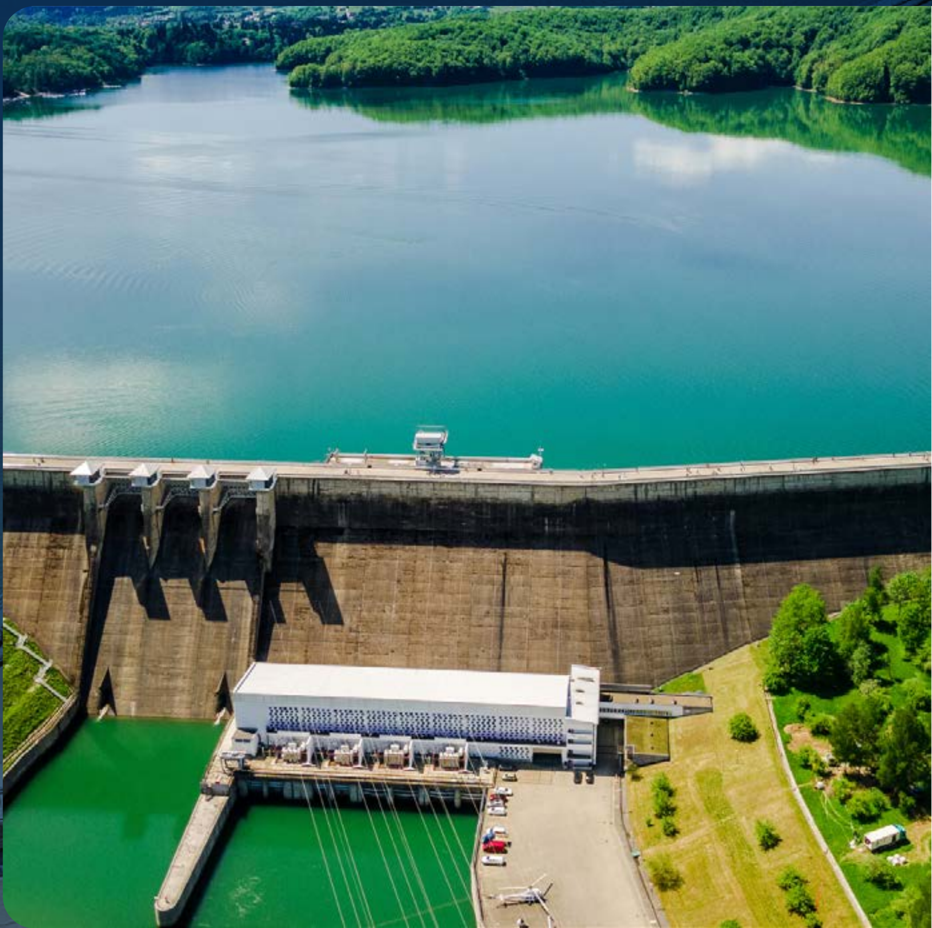
The focus on low carbon energy continues, with significant advancements in renewable energy technologies such as solar and wind power.

The Australian government is investing heavily in these sectors, with initiatives aimed at achieving net-zero emissions by 2050. Engineering projects are increasingly oriented towards improving efficiency and storage solutions, such as battery technologies and pumped hydro.

The rise of green hydrogen has given way somewhat, with the commercial and technical realities of producing it, resulting in the failure of several projects recently. Whilst hydrogen has suffered some recent headwinds, it remains an area Verbrec retains strong capability in and is well positioned to support as required.

Whilst still politically sensitive, we see a serious need to debate the future of nuclear power generation in Australia as a genuine low carbon alternative for baseload power to support renewables beyond gas.

Hydroelectric remains strong outside Australia and Verbrec is currently delivering various pumped hydro Concept and FEED studies in the pacific region, which we see strong demand for going forward, as the need to store renewable energy continues to grow.



CASE STUDY

SUPPORTING PACIFIC ENERGY SECURITY THROUGH HYDROPOWER

LOW CARBON ENERGY | HYDROPOWER

Verbrec delivered four pre-feasibility studies for hydroelectric schemes across remote islands in the Federated States of Micronesia. Each study assessed local hydro resources to improve energy security, reduce diesel reliance, and inform future investment and grid integration planning.

Our team evaluated hydrogeological conditions, energy generation potential, constructability, financial viability, and long-term development options. This work provides a robust foundation for the next phases of FEED and detailed design.

By supporting the transition to clean, locally sourced energy, these studies advance energy independence, promote sustainable infrastructure, and lay the groundwork for a resilient, low-emissions future in the Western Pacific.

CONVENTIONAL ENERGY

Despite a broader transition toward low-carbon alternatives, there is still a significant reliance on conventional energy sources to maintain energy security. Peaking gas-fired generators will play a crucial role as significant coal fired generation retires as an on-demand fuel source during extended periods of low variable energy (at utility scale) output.

In the conventional energy sector, particularly in fossil fuels, there is a shift towards cleaner practices. The engineering focus in the conventional space is on making these operations more sustainable and preparing for the gradual decline of fossil fuel dependency as the world moves towards greener energy solutions.

Verbrec works with our key clients on enhancing their efficiency and reducing the emissions of their conventional power plants through control system optimisation and other efficiency improvement programs.

Verbrec is also investigating how to deploy StacksOn into the coal industry to improve grade control and bulk handling operations to reduce the carbon footprint of this energy source whilst it provides its very necessary interim role as we continue to pivot away from reliance upon that commodity.

CASE STUDY

ASSESSING THE VIABILITY OF CO_2 PIPELINE CONVERSION

GAS TRANSITION | CARBON CAPTURE & STORAGE (CCS) | PIPELINES

Verbrec delivered a feasibility study assessing the safe conversion of existing pipelines for high-concentration CO_2 transport. The study focused on maintaining pipeline integrity through fracture control, internal corrosion protection, and compliance with NACE guidelines and Australian Standard AS 2885.

Our team conducted advanced EPDECOM modelling to evaluate fracture toughness, assessed material behaviour under high-pressure CO_2 service, and identified additional safety measures guided by the ALARP principle. Alternative fracture control strategies were also explored to manage potential risks.

The study translated technical insights into practical outcomes, providing a robust foundation for safely repurposing pipelines, supporting operational safety, and enabling low-emissions CO_2 transport. This work also demonstrates how existing conventional energy infrastructure can be transformed to support decarbonisation and the broader transition to low-emissions energy system.

INFRASTRUCTURE

The vastness of Australia and the relatively low population density present challenges for infrastructure investment, particularly as our energy requirements change and our grid is underpinned by a greater portion of renewable energy.

According to the Clean Energy Investor Group, Australia must invest over $160 billion in generation, storage and transmission by 2050 to meet current climate goals. This level of investment can only be realized with a rapid ramp up in activity.

In the traditional infrastructure space, Verbrec remains the largest independent operator of pipelines in Australia, with a portfolio of assets under operation across all major states and territories. Our experience in pipeline operations and engineering capability places Verbrec in a unique position to support our clients with EPC offerings for niche compression, bi-directional, metering and other turnkey offerings.

These projects are delivered with a deep understanding of operational requirements because we operate what we design.

As the capacity of coal generation continues to taper in Australia, the demand for gas as firming fuel will continue to rise and with it the need to transport it to where its needed when its needed. We see an ongoing demand for our services in the pipelines space accordingly, working closely with our key clients to maintain and optimize their traditional infrastructure.

Beyond pipelines, we deliver control systems, SCADA, high voltage and power systems services and balance of plant design projects across road and rail and water in particular.

The electrification of everything requires significant investment in new infrastructure to support the transmission of energy throughout the country which will continue to drive demand for our services in Electrification and Energy Storage.

Water is increasingly being commoditized and its scarcity and value in the face of a changing climate will continue to provide opportunity in the Water Security space in terms of desalination, recycling, handling and storage.

ELECTRIFICATION & ENERGY STORAGE

Both Australia and New Zealand governments continue to pursue policies to support the growth of electrification and energy storage, including incentives for electric vehicles and support for renewable energy integration. The uptake of EVs remains a challenge, yet the transition to renewables is heavily reliant upon consumer energy resources (CERs) such as EVs and in home batteries, to provide distributed storage capacity.

The development of advanced energy storage solutions beyond lithium-ion batteries and into other emerging technologies such as liquid metal and nickel hydrogen, is crucial for managing the variable supply of renewable energy and supporting electrification efforts. The technologies in this space remain dynamic, and implementation is increasingly dominated by modularized solutions, meaning the engineering opportunity is largely in the concept study space and grid connection modelling. Verbrec is very active in this space and we see this demand continuing.

Developing and scaling up energy storage solutions to meet the needs of a renewable-dominated grid remains a challenge, including addressing issues related to cost, efficiency, and lifecycle management including the ultimate recycling of battery materials.

Operating a reliable low-carbon power system means that energy storage infrastructure is imperative. Verbrec offers concept selection, FEED, detailed design and niche construction for battery storage technologies through to Operational Readiness, with Verbrec delivering the operational readiness scope for the southern hemispheres largest battery installation at Eraring.

To ensure the workforce is prepared for the energy transition with the skills needed to deploy and maintain the technology, Verbrec delivers training, through its registered training organisation, Competency Training focused on High Voltage and Hazardous Areas.

Integrating large amounts of intermittent renewable energy into the grid requires sophisticated grid management technologies to maintain stability and prevent outages. Verbrec offers complex power system modelling during early Concept and FEED phases and control system and SCADA engineering services to ensure robust control.

We expect the demand for engineering and niche construction services in this space to remain strong.

CASE STUDY

DELIVERING FULL ASSET LIFECYCLE SERVICES FOR THE ATLAS TO REEDY CREEK PIPELINE

ENERGY INFRASTRUCTURE | EENRGY SECURITY | OPERATIONS & MAINTENANCE

Verbrec's engineering team has been awarded the Front End Engineering and Design (FEED) contract for a significant energy infrastructure project. This award underscores Verbrec's excellence in engineering and strategic planning, building on the success of the previous pre-FEED phase.

The pipeline is poised to be a crucial asset in enhancing energy security for New South Wales (NSW). By improving the reliability of gas supply, this pipeline will contribute to stabilising and reducing gas and electricity prices for households, manufacturers, and businesses across the region.

CASE STUDY

UPGRADING CRITICAL ELECTRICAL SYSTEMS AT PORT ADELAIDE'S M BERTH FACILITY

ELECTRIFICATION | AUTOMATION | EPC | DESIGN & CONSTRUCT

Verbrec has been awarded a $4.2 million contract to deliver the Electrical System Redevelopment Project at the M Berth Facility, Inner Harbour, Port Adelaide. The project follows the successful completion of the engineering and design phase and marks the transition into construction and commissioning.

The redevelopment involves staged rehabilitation of the facility's electrical and fire control systems, hazardous area equipment, electrical distribution, and main switchboards. Scope includes demolition, fabrication, supply, installation, refurbishment, inspection, testing, and commissioning, all coordinated to align with planned operational shutdown windows.

This upgrade will establish a reliable, modern electrical foundation for the M Berth Facility, a bespoke critical asset supporting bulk liquid operations, ensuring safe and uninterrupted port activities for the foreseeable future.

CASE STUDY

ENGINEERING THE OPERATIONAL BACKBONE FOR AUSTRALIA'S LARGEST BATTERY ENERGY STORAGE PROJECT

INFRASTRUCTURE | ELECTRIFICATION | BATTERY ENERGY STORAGE SYSTEMS (BESS)

Verbrec delivered a comprehensive asset and maintenance management framework for Stage One of Australia's largest Battery Energy Storage System (460MW, four-hour duration) at Eraring Power Station. Covering over 50,000 individual assets within SAP, our work ensured the facility entered operation with robust preventative maintenance, data integrity, and system alignment.

Our scope included asset data collection, criticality assessment, preventative maintenance program development, materials and spares strategy, and full SAP integration.

By embedding robust maintenance structures from the outset, Verbrec ensured operational readiness, system reliability, and long-term performance for this critical energy infrastructure.

WATER SECURITY

Water scarcity and variability due to climate change continues to drive investment in water infrastructure and management solutions as water is increasingly commoditised.

Governments are implementing policies and regulations to ensure sustainable water use and support related infrastructure development.

Innovations in desalination, water recycling, and smart water management technologies are being adopted to address water security issues. Desalination processes however, are energy-intensive and expensive, requiring investments in energy-efficient technologies and sustainable practices to minimize environmental impact.

Integrating new water management technologies with existing infrastructure while maintaining system reliability and minimizing disruptions can be complex. The sector is dominated by a number of OEMs who Verbrec partner with to apply our skills in system integration and balance of plant design to deliver turnkey desalination plants and various pump station upgrades for multiple water authorities across Australia.

Verbrec supports in the balance of plant design across all disciplines, process, mechanical, civil structural and electrical and deploy our control systems expertise to enable real-time monitoring and adjustment of industrial processes (SCADA).

CASE STUDY

DELIVERING 'FIRST WATER' AT KANGAROO ISLAND DESALINATION PLANT AND STRENGTHENING RESILIENCE

INFRASTRUCTURE | WATER SECURITY | DESALINATION

Verbrec, in partnership with John Holland Guidera O'Connor, proudly celebrated a key milestone with the delivery of 'First Water' at the Kangaroo Island Desalination Plant for SA Water, enhancing the island's water security and operational resilience.

The Kangaroo Island Desalination Plant is a cornerstone for ensuring clean drinking water for over a thousand residents and significantly boosting the area's resilience against bushfires.

We delivered electrical, instrumentation, and controls engineering, as well as design deliverables for both the new desalination plant and a seawater pump station at an existing facility.

This project ensures reliable access to clean drinking water for over a thousand residents and strengthens the island's resilience against bushfires, reflecting Verbrec's commitment to sustainable community infrastructure and water security.

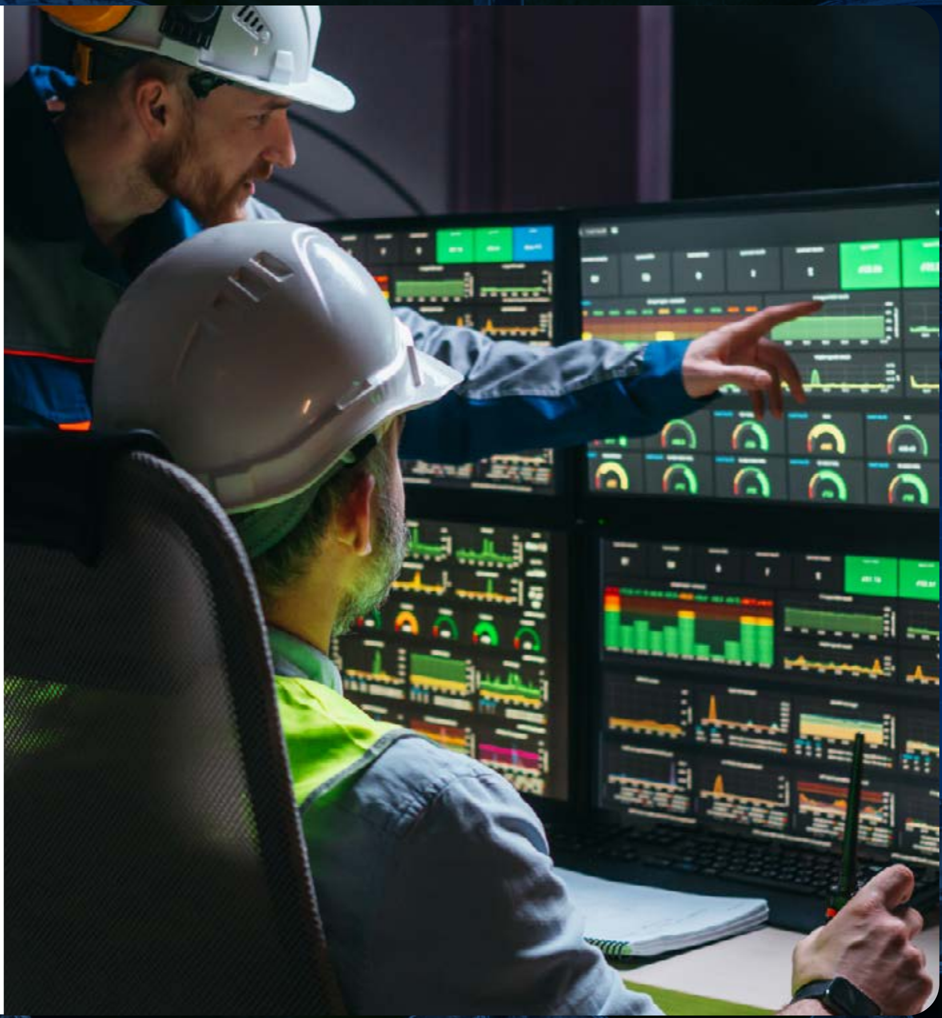
CASE STUDY

ENABLING WATER SECURITY THROUGH ADVANCED CONTROL AND ELECTRICAL SYSTEMS IN SOUTH AUSTRALIA

INFRASTRUCTURE | WATER SECURITY | ELECTRIFICATION | CONTROL SYSTEMS

Verbrec was awarded $2.7 million in strategic water infrastructure projects in South Australia, reinforcing our expertise in delivering resilient and sustainable water solutions. Work is now underway on a $1.8 million major control system upgrade for water treatment and processing facilities, enhancing operational reliability, system monitoring, and process efficiency. Concurrently, we are progressing the engineering and design of electrical infrastructure for vacuum pump stations ($0.9 million) supporting a major residential development, ensuring robust water transfer and distribution.

These projects leverage Verbrec's long-standing experience in electrical systems and water infrastructure, demonstrating our ongoing commitment to water security and sustainable service delivery.



DEFENCE

Australia's defence spending has increasingly emphasized sustaining capital and maintaining existing infrastructure, including at key bases such as RAAF Edinburgh in South Australia where Verbrec plays a key role.

Verbrec has for many years now supported defence investment in sustaining capital for its infrastructure, to extend its operational life through various obsolescence projects. We provide a niche offering of combined Engineering Procurement and Construction (EPC) on various switchroom, substation and HV kiosk upgrades as well as long term electrical maintenance contracts. We have built a reputation over many years for our well-planned cutover methodologies allowing power to be maintained to these strategically important assets throughout the construction, commissioning and ultimate cutover. Ongoing maintenance is also critical for ensuring that infrastructure remains functional and reliable. Verbrec offers regular inspections, repairs, and servicing of electrical infrastructure and equipment to prevent operational disruptions. In addition, we develop comprehensive preventative maintenance schedules to manage the lifecycle of facilities and equipment effectively, minimizing downtime and ensuring a high level of availability.

Future spending is likely to include investments in integrating advanced technologies into defence infrastructure, such as cyber-security enhancements, smart base technologies, and energy-efficient systems.

CASE STUDY

DELIVERING CRITICAL ELECTRICAL AND CONTROL SYSTEM UPGRADES FOR COMMONWEALTH DEFENCE

DEFENCE | ELECTRIFICATION | CONTROL SYSTEMS

In H2 FY2025, Verbrec secured two major projects at Commonwealth Defence sites in South Australia, with a combined value of $6.8 million, reinforcing our capability to deliver complex electrical and control system solutions for critical national infrastructure.

The first component, valued at approximately $6.3 million, covers the design and construction of control rooms, electrical switchboards, and associated electrical infrastructure, enhancing operational efficiency and reliability across Defence facilities.

In addition, Verbrec extended its long-standing electrical maintenance contract for high-voltage and electrical systems at select Defence sites, a program historically generating over $1 million per annum, ensuring ongoing asset performance and lifecycle support.

These awards demonstrate Verbrec's expertise in electrical, high-voltage, and control systems, and reflect our ability to provide integrated solutions, from engineering and construction through to maintenance, supporting clients across the full asset lifecycle.

MINING & RESOURCES

There is increasing pressure on the mining sector to adopt sustainable practices, including reducing greenhouse gas emissions and improving resource efficiency.

Growing global demand for minerals and metals, particularly for renewable energy technologies, has driven increased demand for lithium, cobalt and nickel, but key to the electrification goal is copper. The infrastructure needed to support electrification, will create a huge demand for copper and we see this as a major driver in the mining sector over the next decade.

As easily accessible resources are depleted, the industry faces challenges in accessing and extracting lower-grade ores more sustainably. Depleting natural resources underscore the need for sustainable extraction and transportation methods and improved resource utilisation. Mining companies are tasked with optimising operational efficiency and reducing resource consumption. Adoption of technologies like automation, IoT, and advanced process control systems is helping to improve efficiency and reduce environmental impacts, however there is much more to do. Miners of the resources needed for the energy transition are faced with the competing priorities of extracting those minerals needed for the transition whilst also reducing their carbon emissions in doing so.

Through our focus on Sustainable Mining, we are using our capability in hydro-transport, high voltage, automation and controls and our StacksOnTM 3D stockpile yard modelling software to support our clients in decarbonising their operations and providing greater water stewardship through operational efficiencies.

SUSTAINABLE MINING

By offering cutting-edge solutions in the process automation and software space, we help mining companies boost productivity while minimizing resource consumption. StacksOnTM is one such example which allows the optimisation of stockpile management to ensure the resources extracted are utilised in the most efficient way. Our success in iron ore is being taken now into other commodities and we are working with the coal sector to find better ways of optimising the usage of coal in the rundown and transition to gas.

Our expertise in integrating advanced technologies like IoT and automation into mining operations enhances decision-making, reduces downtime, and enhances overall performance, thereby reducing carbon footprint.

Our experience in carbon capture and storage in the hydrocarbons sector is being applied to work with miners on capturing carbon emissions during or after the mining of coal from the coal seam itself.

As a leader in slurry pipelines, Verbrec is playing a key role in decarbonising the transport of magnetite ore from Yilgarn to market in Western Australia. The now complete pre-feasibility study has produced capex and opex cost modelling for this shared infrastructure, that would ultimately reduce the carbon footprint associated with the delivery of ore to market.

As a trusted partner for a sustainable future, we recognise the challenges the mining sector faces with the competing priorities of extracting those minerals needed for the transition whilst also reducing their carbon emissions simultaneously.

We see this as an ongoing challenge over the coming decade.

CASE STUDY

UPGRADING FMG'S SWITCHGEAR TO SUPPORT OPERATIONAL RELIABILITY AT CLOUDBREAK

MINING | ELECTRIFICATION - CONTROL SYSTEMS

Verbrec successfully completed engineering for the Obsolete Switchgear Replacement Project at Fortescue Metals Group's Ore Processing Facilities at Cloudbreak (CB) in the Pilbara, Western Australia. The project upgraded end-of-life low-voltage electrical switchgear across multiple switchrooms, enhancing reliability, safety, and alignment with FMG's latest communication network protocols.

Our team delivered detailed engineering design, review and update of existing designs, control system upgrade reporting, and provision of construction methodology to support execution. The upgrades include replacement of motor protection relays and contactors, ensuring substations meet current operational standards and performance expectations.

Verbrec's contribution reinforces our ongoing commitment to supporting the Western Australian mining sector through high-quality engineering solutions and sustainable operational outcomes.

CASE STUDY

ENABLING SUSTAINABLE MINING THROUGH SMARTER STOCKYARD MANAGEMENT

SUSTAINABLE MINING | AUTOMATION | STOCKYARD EFFICIENCY

Verbrec's product, StacksOn was successfully rolled out across BHP's Western Australian Iron Ore (WAIO) operations, following its initial implementation at the Jimblebar mine in 2019. Designed to provide real-time visibility of stockpile grades in 3D, StacksOn enables BHP to optimise blending, reduce grade variability, and prevent off-spec shipments.

In FY24, StacksOn was deployed across major WAIO hubs, mines, and ports, enhancing the efficiency of one of the world's largest mining operations. By minimising grade giveaway, reducing downtime, and improving blending opportunities, StacksOn not only drives stronger operational performance for BHP but also supports sustainable mining practices by enabling smarter resource use and reducing waste across the supply chain.

DIRECTORS' REPORT

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Verbrec Limited ("Company" or "Verbrec" or "VBC") and its controlled entities ("Group") for the financial year ended 30 June 2025.

1. DIRECTORS AND OFFICERS

DIRECTORS			
			
Position	**Phillip Campbell** **CHAIRPERSON** Appointed 22 October 2019	**Matthew Morgan** **NON-EXECUTIVE DIRECTOR** Appointed 22 October 2019	**Brian O'Sullivan AM** **NON-EXECUTIVE DIRECTOR** Appointed 28 June 2019
Profile	Phillip is an experienced independent non-executive director on publicly listed and private company boards. He has executive experience (MD/CEO roles) in a range of national manufacturing and engineering businesses and has significant experience in expanding and developing businesses.	Matthew is an experienced independent non-executive director on publicly listed and private company boards. He began his career as an institutional venture capital fund manager with QIC Limited and has significant commercial experience including mergers and acquisitions and capital raising.	Brian has over 30 years of business management and director experience as the founder and chair of OSD Pty Ltd. Brian is experienced in energy related developments with a strong emphasis on gas production and pipeline facilities.
Scope of Responsibility	Phillip is the independent Chairperson of Verbrec's Board of Directors and Nomination & Remuneration Committee. Phillip is a member of Verbrec's Audit & Risk Committee.	Matthew is an independent non-executive director of Verbrec's Board of Directors. Matthew is chair of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee.	Brian is a non-executive director on Verbrec's Board of Directors and significant shareholder of Verbrec. Brian is a member of the Audit & Risk Committee and the Nomination & Remuneration Committee. Brian has been a company director holding board positions for a range of entities, including Chairman of the Australian Muscular Dystrophy Foundation.
Qualifications	B. Electrical and Electronics Engineering – University of Queensland, GAICD	B. Commerce, B. Applied Science, MBA – Queensland University of Technology, Kauffman Fellow	B. Engineering (Mechanical) – University of Queensland, Post Grad Diploma Management, Fellow IEAust, MAICD
Directorships of other listed companies (current & prior 3 years)	Phillip is currently an independent non-executive director and chair of Livium Limited (ASX : LIT) appointed on 1 April 2025.	Matthew held position of director for Total Brain Limited (ASX : TTB) which was delisted from the Australian Stock Exchange on 28 February 2023.	Brian does not currently or in the prior 3 years hold any director position in listed companies.

OFFICERS AND OTHER KEY MANAGEMENT PERSONNEL

				
Position	**Mark Read** **CHIEF EXECUTIVE OFFICER** Appointed 13 March 2023	**Richard Aden** **CHIEF FINANCIAL OFFICER** Appointed 1 August 2023	**Brad Love** **EXECUTIVE GENERAL MANAGER** Appointed 5 December 2022	**Joel Voss** **COMPANY SECRETARY** Appointed 6 June 2022
Profile	Mark is a results focused senior executive business leader, CEO and Board director with a proven record of successfully establishing, transforming, acquiring and growing businesses to improve profitability, enable international expansion and achieve sustained growth.	Richard is an Australian Certified Practising Accountant (CPA) and UK Chartered Management Accountant (ACMA). Richard has over 25 years' experience in senior financial and commercial positions within International and ASX listed entities. Richard is responsible for all of Verbrec's Finance functions and other Corporate Services.	Brad has 23-years experience a passion for continuous improvement and the elimination of waste. In recent years Brad was accountable for the implementation of Verbrec's new ERP system and more recently has been redeveloping Project Delivery Systems and Processes. Brad's focus is on internal operations and project delivery.	Joel has over 15 years commercial management experience and was actively involved in the acquisition of EIM and the asset acquisition of Site Group International. Joel provides commercial guidance to key company stakeholders and acts as the main conduit between the company and its shareholders, investor relations, legal advisers, insurers and regulators.
Qualifications	B. Engineering (Electrical) (Hons.1), University of Queensland, 1981 Advanced Management Program, Harvard Business School, 2000 Directors Course Diploma, Australian Institute of Company Directors, 2009	CPA (Certified Practising Accountant – Australia) ACMA (Chartered Management Accountant)	B. Engineering Mechanical (Hons 1st Class) Queensland University of Technology	Master of Business Administration (Central Queensland University), Affiliate Member of Governance Institute of Australia GIA

1.1 DIRECTORS AND OFFICERS INTERESTS AND SHAREHOLDING

NAME	ROLE	BENEFICIALLY HELD ORDINARY SHARES	PERFORMANCE RIGHTS VESTED AND EXERCISABLE	PERFORMANCE RIGHTS GRANTED - SUBJECT TO FUTURE VESTING TESTS	OTHER INTERESTS[1]
Phillip Campbell	Chairperson	1,503,309	-	-	-
Matthew Morgan	Non-Executive Director	866,296	-	-	-
Brian O'Sullivan	Non-Executive Director	64,728,471	-	-	Development Advisor Agreement
Mark Read	Chief Executive Officer	927,483	-	7,769,278	Executive Services Agreement Verbrec Limited Rights Plan ELT Incentive Plan
Richard Aden	Chief Financial Officer	1,285,986	-	2,078,735	
Brad Love	Executive General Manager	437,500	-	812,500	
Joel Voss	Company Secretary	1,371,881	-	962,000	

1.2 DIRECTOR MEETINGS

	BOARD		AUDIT & RISK COMMITTEE		NOMINATION & REMUNERATION COMMITTEE	
DIRECTOR	**HELD**	**ATTENDED**	**HELD**	**ATTENDED**	**HELD**	**ATTENDED**
Phillip Campbell	11	11	3	3	2	2
Matthew Morgan	11	11	3	3	2	2
Brian O'Sullivan	11	11	3	3	2	2

1See Remuneration Report for more details on the Development Advisor Agreement, Executive Services Agreement, Verbrec Limited Rights Plan and ELT Incentive Plan.

2. PRINCIPAL ACTIVITIES

Verbrec is a leading engineering, asset management, operations & maintenance, mining technology software (collectively reported as 'Engineering Services' under note 4(h) – segment reporting) and training company (reported as 'Training Services' under note 4(h) – segment reporting) operating across the entire asset life cycle to a diverse range of industries including energy, mining, defence, infrastructure and including sustainable initiatives within each of these core sectors. The Group employs approximately 400 professionals operating across Australia, New Zealand, PNG and the Pacific Islands from offices throughout Australia and New Zealand.

3. REVIEW OF FINANCIAL PERFORMANCE

3.1 FINANCIAL PERFORMANCE OVERVIEW

The Group's financial results for FY2025 from continuing operations compared to the financial results for FY2024 are as follows:

- Revenue of $85.6m, down from revenue of the Group of $93.4m for FY2024.
- Gross Margin has increased to 37.3%, up from 35.8% of the prior year.
- EBITDA of $7.9m, down from an EBITDA of the Group of $8.8m for FY2024.
- EBITDA as a percentage of revenue at 9.3%, marginally down as a percentage of the Group of 9.4% of the prior year.
- Comprehensive profit attributable to owners of the Company $3.8m ($2.0m in FY2024).

A summary of the Group's operating results for the year ended 30 June 2025 is below:

	FY2025 $'000	FY2024 $'000
Revenue (Continuing Operations)	85,617	93,351
Earnings before interest, tax, depreciation and amortisation (EBITDA) (Continuing Operations)	7,942	8,768
Profit / (loss) before tax	3,502	4,378
Profit / (loss) from discontinued operations	-	(2,806)
Income tax benefit / (expense)	233	376
Other comprehensive income	35	52
Profit/ (loss) attributable to owners of the Company	**3,770**	**2,000**

Below is the reconciliation between Profit / (Loss) for the year and EBITDA:

	FY2025 $'000	FY2024 $'000
Profit / (loss) attributable to owners of the Company	**3,770**	**2,000**
Other comprehensive income	(35)	(52)
Income tax expense/ (benefit)	(233)	(376)
Profit / (loss) from discontinued operations	-	2,806
Finance expense	772	1,015
Depreciation and amortisation	3,668	3,375
EBITDA (Continuing Operations)	**7,942**	**8,768**

3.2 WORKING CAPITAL MANAGEMENT

The Group increased its operating cash flows with a net operating inflow of $6.5m (FY2024: net cash inflow of $2.0m).

3.3 STATEMENT OF FINANCIAL POSITION

The Group's total assets increased to $49.4m in FY2025 (FY2024: $47.7m). The end of year cash balance of $7.1m was an increase from $4.6m in 2024 and returned the Group to a 'Net cash' position (for further information refer to Financial note 5(a).

The net assets of the Group increased to $23.8m as at 30 June 2025 (FY2024: $19.2m).

The Group's total liabilities decreased to $25.6m as at 30 June 2025 (FY2024: $28.5m), due to reductions in trade and other payables, borrowings and employee benefits.

The Group's financing facilities are held with Westpac Banking Corporation and as at 30 June 2025, the Group had utilised a total of $3.1m of the $9.0m limit of its Flexible-Option Facility with Westpac and $0.5m of the $1.5m limit of its equipment finance facility.

3.4 DIVIDENDS

	Cents per ordinary share	Total amount $'000
Declared and paid during the period		
Final franked dividend for 2024	-	-
Interim franked dividend for 2025	-	-
Declared after balance date and not recognized as a liability		
Final dividend for 2025 (fully franked at 30%)	**0.1**	**294**

4. REVIEW OF OPERATIONS

4.1 OPERATIONAL OVERVIEW

The following section provides a brief overview of operational performance of the group in FY2025.

The group continues to improve its operational performance by executing on its strategy and delivering on its purpose to enable a sustainable future for our clients and their customers.

Industry Sectors	The group's revenue continued to be derived primarily from key relationship clients in the Energy, Chemical & Manufacturing sector (65%) followed by Infrastructure and Defence (25%) and Mining (10%).
Revenue Position	The Company derived 35% of its revenues from its Sustainable Focus Areas of Electrification & Energy Storage, Gas Market Transition, Sustainable Mining and Water Security.
Improved Operational Efficiencies	Despite a reduction in year on year revenues, through diligent management of overhead costs and a focus on improved gross margins from project delivery, the Company produced higher gross margins of 37.3% (35.8% FY2024) and higher comprehensive profit \$3.8m (\$2.0m FY2024).
Strategic Pillars	The Company continues to be guided by its core strategic pillars: • Relationship Clients *Be the provider of choice for our Clients.* • Build Capability *Embrace the new technologies and skills critical to delivery of client success.* • Best People, Great Teams *Growing a Culture around the best people and teams.* • Delivery & Operational Excellence *Deliver on our promises, on time, on budget.*

4.2 STRATEGIC OUTLOOK

To address the changing energy landscape, the Company's is ready to meet client needs in a move to a more sustainable future. Leveraging the Company's diverse pool of talented engineers and other professionals, by selectively recruiting where necessary to improve the group's consolidated skillset, Verbrec is in a position to partner with our relationship clients in Verbrec's Strategic Focus Areas.

Electrification & Energy Storage	By addressing the need for gas firming in a renewables rich grid, assisting our clients transition to an electrical economy with projects currently being delivered in advanced battery technologies, biogas and hydrogen.
Gas Market Transition	To guide and deliver solutions to our client base to design fit for purpose solutions for their existing assets to address gas as a peaking fuel rather than a base load fuel, with current projects and prospects related to carbon capture utilisation and storage and biofuel / hydrogen augmentation or replacement.
Sustainable Mining	Assisting and advising our clients in minimising their scope 3 emissions, maximising the yield of their higher grade and 'green' metals such as magnetite and minimising waste, as an example by using the power of StacksOn to give clients greater grade control at iron ore mines / ports and developing innovative product transport solutions.
Water Security	By providing our expertise and years of experience servicing water authorities and operators across Australia to design, construct, maintain and optimise water assets, desalination plants and treatment facilities and provide critical advisory services on the efficient use, transport, storage and treatment of water utilised in the operations of heavy industries and mining operations.

4.3 MARKET OUTLOOK

The markets in which Verbrec operates are adapting to the changing sustainable environment and Verbrec's work in hand remains strong as the Company continues to support our core and key client base.

The significant capital investment in sustainability in key traditional markets particularly energy, mining and infrastructure is expected to continue to drive the performance of the group into the future.

5. SIGNIFICANT CHANGES AND SUBSEQUENT EVENTS

Significant changes in the state of affairs of the Company	Except as dealt with elsewhere in this report or the financial report, there were no other significant changes in the state of affairs of the Group in the financial year.
Significant events subsequent to the end of the financial year	The directors are not aware of any matters or circumstances not otherwise dealt with in this report or the financial report that have, or may, significantly affect the operations or state of affairs of the Group in future years.

6. RISK MANAGEMENT

6.1 REVIEW OF RISKS

At least annually, Verbrec's Audit and Risk Committee tables and reviews changes to its Corporate Enterprise Risk Register, considering and where possible, mitigating risks to Verbrec's business.

6.2 SIGNIFICANT RISKS

Operating Market	Operating in our markets brings specific risks, including commodity price fluctuations, geopolitical tensions, regulatory changes and environmental concerns. We closely monitor global energy trends, diversify our revenue streams across different sources and invest in our people and assets to enhance operational efficiency and minimise impact.
Renewables	Renewable energy is a fast-growing market that presents both opportunities and risks. The renewable sector is influenced by factors such as policy support, technological advancements, and market competition. Changes in government incentives, regulatory frameworks, or public perception can impact the viability of renewable projects. We actively monitor market developments, foster collaborations with technology providers, and stay informed about emerging trends to capitalise on renewable energy opportunities while managing associated risks effectively.
Inflation	Verbrec's business is exposed to inflationary pressures including materials, labour and operating costs. The Company has mechanisms in place, including contractually, to escalate costs in line with generally accepted indexes, however, this may not always be sufficient to account for inflationary pressures incurred by the Company or the industries which it serves, nor be recognized at the time that the additional costs attributable to inflation are incurred. Inflationary pressure particularly connected to wages and procurement activities is also prevalent in our markets. The Group includes index rise and fall clauses in contracts where appropriate to mitigate the risk.
Relationship Clients	Verbrec's relies on a base-load of revenues and earnings being generated relatively small group of Key Relationship Clients in the industries in which we operate. The Board and Management recognise this risk and consistently report-on and review the flow of works from our Key Relationship Clients, and encourage exceptional customer service to limit the risk of loss of relationship clients due to reputational or delivery concerns. An unexpected acquisition or merger of a Key Relationship Client may cause a risk of reducing or eliminating a portion of Verbrec's revenues that otherwise, Verbrec would have relied upon.
Client and Market Demand	Verbrec primarily derives its revenues from multi-year panel arrangements which do not include a contractual obligation on clients to source any minimum amount of goods or services from Verbrec. Accordingly, client demand can change for a variety of reasons (including micro & macro-economic) and without warning. Verbrec relies on a certain volume of work to offset its overheads and any material lack of client demand (due to market conditions or otherwise) may result in financial loss for the Company. The Board and Management focus and report closely on the demands of clients, constantly monitoring work-in-hand and weighted prospects to identify reductions in client demand.
Regulatory Risks	The Group is subject to local laws and regulations in each of the jurisdictions in which it operates. Furthermore, the Group operates in both the Engineering and Training segments predominately within Australia and New Zealand. Future laws or regulations may be introduced affecting engineering and training companies and if this occurred, it could restrict or complicate the Group's activities. Any such impacts may adversely impact the Group's future operating and financial performance.
Litigation and Industry Risks	In the course of its business, the Group is exposed to potential legal and other claims or disputes, including litigation from employees, regulators or third parties. Further, the engineering industry in which the Group operates involves risks associated with safety, structural defects, environmental investigations and general litigation. With litigation comes risks and should an adverse decision transpire from a potential litigation claim, this could have a materially adverse impact on the financial performance of the Group. Appropriate insurances are held by the Group.

Geographic Risks	The Group has a diversified geographic footprint with operations across Australia and New Zealand, and the Group also executes projects in Papua New Guinea and the Pacific Islands. The work outside of Australia and New Zealand presents some risks in terms of safety during visits but these are well managed and mitigated.
Industry Risks	The Group's business is predominantly based on serving the mining and mineral processing, hydrocarbons (oil & gas and chemicals) and infrastructure (particularly water) industries. As such the Group's business would be impacted if there was a deterioration in demand for engineering services, asset management, operations & maintenance and/or training services in one or more of these industries. The business may also be affected by changes in the nature of the engineering industry, such as changes to demand for different commercial models for project delivery or asset services.
Weather Conditions	Certain aspects of Verbrec's operations may be negatively impacted by unexpected or prolonged inclement weather conditions, including storm, rainfall, flood, fire, earthquake, extreme heat or other associated effects of weather conditions generally. Weather conditions may impact physical assets in the form of loss or damage. Weather conditions may prevent Verbrec from safely undertaking its operations at certain locations or cause temporary or permanent damage to operating locations in extreme circumstances.
Labour Shortages	The shortage of skilled labour in both Australia and New Zealand continues to be a risk for the Group. The Group has various strategies in place to mitigate the risk and ensure the Group continues to attract and retain quality staff. The skills shortage continues to be an opportunity for the training business as labour has the potential to retrain in new qualifications.
Loss of Key Personnel	Verbrec rely on the continuity and availability of a core group of key personnel, including ELT. Despite prudent succession planning, the sudden and unexpected loss of key personnel may adversely impact Verbrec's ability to effectively operate certain segments of the business. The Board and Management recognize that the market for skilled labour is competitive and have implemented competitive base-pay, pay review cycles (planned and unplanned) and incentive schemes to address risks of skilled labour shortages and attrition of key personnel.
Digital Disruption and Artificial Intelligence	Technology is ever evolving at a rapid pace, and it is possible that technological innovation may cause disruptions to Verbrec's business. The emergence of generative artificial intelligence applications may have unexpected implications on the way that professional services and the generation of deliverables typical to Verbrec's industry are produced. Verbrec's Board and Management consider technological advancements in its strategic planning processes.
Cyber Security	Information, communication and technology (ICT) systems are inherently vulnerable to attack, disruption, ransom or data-loss. Verbrec relies on its ICT systems to continue normal operations and an unexpected cyber event may cause significant disruption to operations. Management and Board are aware of the risk and implement investments in technologies, data management and backup systems and cyber security measures and education and maintain a policy cyber liability insurance to partially mitigate the potential negative effects of a major cyber security breach or event.
Financial Risks	The Group's ongoing financial strength depends on the Group's ability to generate earnings and to make interest and principal repayments on its debt. Contract performance failure may lead to services not being delivered on time or according to budget resulting in financial loss, reputational damage and the inability or reduced ability to secure future work. Continued and uninterrupted availability of adequate financing facilities is critical for providing liquidity to the Group with our banking partner Westpac Banking Corporation. Our financing facilities are subject to certain terms, conditions and covenants. A breach of those terms and conditions or a failure to meet the covenants may adversely affect the ability of the Group to finance core operations. Verbrec may at some point in the future have a requirement to raise additional capital (whether debt, equity or hybrid) in order to continue growing, meet financial obligations and increase its profitability. As a listed entity, the Group has many options open to it should future capital be required. The Group's revenue and profitability is highly correlated to spending levels by resource, energy, infrastructure and other businesses which use engineering services, which in turn could be affected by changes in macroeconomic conditions in Australia, New Zealand and internationally. Changes in the macroeconomic environment are beyond the control of the Group and include, but are not limited to: • Global commodity prices (including exchange rate risk) – particularly in oil and gas, iron ore and coal; • Changes in government investment and legislation – particularly in both the water, renewables and commodity sectors; • Changes in aggregate investment and economic output; and • Changes in employment levels and labour costs, wage inflation and changes in industrial relations laws, which will affect the cost structure of the Group.

7. ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group has determined that no particular or significant environmental regulations apply to its operations.

The Directors have considered climate-related risks and do not currently deem there to be an associated material risk to the Group's operations and the amounts recognised in the financial statements. The Group continues to monitor climate-related and other emerging risks and the potential impact on the financial statements. Potential impacts of legislation or other factors on our clients with regard to greenhouse gas emissions are regarded as presenting more opportunities than risks for the Group.

8. INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS, AND AUDITORS

Under the Company's Constitution, the Company indemnifies each current and former Director and Officer of the Group against certain liabilities and costs incurred by them in their engagement by the Group, except where the liability arises out of conduct involving a lack of good faith. The Company also indemnifies each current and former Director and Officer of the Group against certain liabilities and costs incurred when the Director or Officer acts as a Director or as an Officer of another body corporate at the Company's request and the liability or cost is incurred in that capacity.

Neither indemnity extends to liabilities or costs from which the Company is prohibited from indemnifying current or former Directors and Officers under the Corporations Act 2001 (Cth).

In addition, the Company has entered into Deeds of Access, Indemnity and Insurance with its Directors and Officers of the Group. Under those Deeds, the Company agrees to matters including the following:

- Indemnify the Director or Officer to the extent permitted by law and under the Company's Constitution, and
- Maintain a directors' and officers' insurance policy.

Since the end of the previous financial year the Group has paid insurance premiums of $168,341 (FY2024: $205,639) in respect of directors' and officers' liability insurance policies.

Verbrec has agreed to reimburse Grant Thornton for any liability (including reasonable legal costs) that Grant Thornton incur in connection with any claim by a third party arising from a breach by Verbrec Limited of its agreement with Grant Thornton.

9. CORPORATE GOVERNANCE STATEMENT

Verbrec Limited and the Board are committed to achieving and demonstrating the highest standard of corporate governance. Verbrec Limited reviews its corporate governance practices annually against the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council and in line with the ASX Listing Rules. The 2025 Corporate Governance Statement is dated as at 30 June 2025 and reflects the corporate governance practices in place throughout the FY2025 financial year. The 2025 Corporate Governance Statement was approved by the Board on 27 August 2025.

A description of Verbrec Limited's current corporate governance practices is set out in the Corporate Governance Statement which can be viewed at: https://verbrec.com/investor-centre/

10. NON-AUDIT SERVICES

During the year Grant Thornton, the Group's auditor, provided non-audit services. The non-audit services provided by Grant Thornton consisted of tax compliance services in the amount of $88,136.

The Directors are satisfied that the provision of non-audit services by Grant Thornton during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth), based on advice from the Group's Audit & Risk Committee, for the following reasons:

- The non-audit services did not impact the impartiality and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Details of the amounts paid to the auditor of the Group, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in note 4(j) of the Financial Report below. No amounts were paid to other auditors in respect of the statutory audit.

11. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001 (Cth).

12. AUDITOR INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is set out on page 25.

13. ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016. Amounts in the Directors' report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

14. REMUNERATION REPORT

The Verbrec Limited remuneration report is detailed in as an appendix to this Director's Report and forms part of the Director's Report.

15. RESOLUTION APPROVING DIRECTOR'S REPORT

This Directors' Report is made in accordance with a resolution the Directors of Verbrec Limited.

Phillip Campbell

Chair

Verbrec Limited

28 August 2025

REMUNERATION REPORT

REMUNERATION REPORT

The Directors present the Verbrec Limited remuneration report, which has been audited, for the financial year ended 30 June 2025, outlining key aspects of the consolidated entity's remuneration policy and framework and remuneration awarded this year.

The report is structured as follows:

SECTION	HEADING
1	Overview of the Company's approach to executive reward
2	Remuneration governance
3	Key Management Personnel
4	Contractual entitlements
5	KMP remuneration
6	KMP balance movements
7	Elements of remuneration
8	Other statutory information

1. OVERVIEW OF THE COMPANY'S APPROACH TO EXECUTIVE REWARD

The Board has adopted a remuneration policy for the consolidated entity that considers the current size and nature of the Company's operations.

Remuneration is set at levels to reflect market conditions and maximise continuity of services and retention of talent, including by benchmarking remuneration to determine where roles are currently positioned, reviewing base salary, any short-term or long-term incentive plan.

The Company's remuneration strategy recognises and rewards performance in a way that is consistent with general practices in the markets in which the Company operates. The Company's remuneration philosophy is focused on the following key principles and approaches:

- Align rewards to business outcomes that deliver value to shareholders,
- To drive a high-performance culture by setting challenging objectives and rewarding high performing leaders,
- Assist in the attraction and retention of highly skilled leaders, and
- Be competitive within the employment markets in which the Company operates.

2. REMUNERATION GOVERNANCE

Verbrec's Nomination and Remuneration Committee ('Committee') determines the remuneration of KMP's by making recommendations to the Board of Directors. The Committee considers both fixed and at-risk components of remuneration.

The Committee assists the Board in reviewing the Company's remuneration policies and practices, and in selecting and appointing directors of the Company.

The chairperson of the Committee is an independent non-executive director.

By invitation, the Chief Executive Officer, Chief Financial Officer, Executive General Manager, Company Secretary and General Manager – People & Culture attend relevant parts of Committee meetings at the discretion of the Committee.

The primary objective of Verbrec's executive remuneration strategy is to create a framework that supports sustainable, profitable growth over the long-term in a manner consistent with the long-term interests of the Company's shareholders. This framework contributes to rewarding, retaining and motivating leaders of the business.

The Committee engages the services of independent remuneration consultants to establish the Verbrec Limited Rights Plan and to advise on other remuneration related matters from time to time.

3. KEY MANAGEMENT PERSONNEL

This Remuneration Report outlines the Key Management Personnel ('KMP') remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 (Cth) and its Regulations.

For the purposes of this report the KMP of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise).

3.1 DIRECTORS

The non-executive and executive Directors for Verbrec Limited for FY2025, and continuing (unless noted as resigned or retired), are:

NAME	POSITION / ROLE
Phillip Campbell	Chairperson & Independent Non-Executive Director
Matthew Morgan	Independent Non-Executive Director
Brian O'Sullivan	Non-Executive Director

3.2 OFFICERS AND OTHER KMP'S

The key management personnel who are not directors for Verbrec Limited for FY2025, and continuing (unless noted as resigned or retired), are:

NAME	POSITION / ROLE
Mark Read	Chief Executive Officer
Richard Aden	Chief Financial Officer
Brad Love	Executive General Manager
Joel Voss	Company Secretary

4. CONTRACTUAL ENTITLEMENTS

4.1 DIRECTORS

The Board seeks to set aggregate remuneration of non-executive directors at a level that provides the Group with the ability to attract and retain directors of appropriate calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to non-executive directors of comparable companies.

The Company's constitution and the ASX listing rules specify that the non-executive director fee pool shall be determined from time to time by a general meeting of shareholders.

The non-executive director fee pool of $600,000 was approved by shareholders at the Annual General Meeting in 2013. The Board of Directors may determine how to allocate the pool.

The remuneration of non-executive directors consists of directors' fees, with such fees being inclusive of superannuation.

Non-executive directors do not receive retirement benefits, nor do they participate in the ELT Incentive Plan or the Verbrec Limited Rights Plan.

A breakdown of fees is as follows:

	ROLE	DIRECTOR FEE ($)	DEVELOPMENT ADVISOR AGREEMENT FEE ($)	SUCCESS FEE[2] ($)
Phillip Campbell	Chairperson	140,000	N/A	N/A
Matthew Morgan	Non-Executive Director	85,000	N/A	N/A
Brian O'Sullivan	Non-Executive Director	85,000	120,000	Variable

[2] Brian O'Sullivan via the entity IBOS Developments Pty Ltd has a current contract with Verbrec Limited for the provision of consultancy services (Developer Advisor Agreement) which is due to expire in December 2025. The Development Advisor Agreement Fee is not payable after expiry, whilst the Success Fee obligation survives expiry. Under the Development Advisor Agreement, Mr. O'Sullivan is entitled to success fees in relation to a designated major project in addition to the Development Advisor Agreement Fee. No success fees were paid or accrued for FY2025 (FY2024: No success fees were paid or accrued).

The Success Fee refers to:

- 2% of the revenue recognised in relation to a Designated Major Project as approved by the Board of Directors under the Development Advisor Agreement (at the date of this report, the Designated Major Project includes Engineering Services provided by Verbrec in relation to Pre- Feasibility and Feasibility study stages of the Mid-West Infrastructure Project); and

- On 27 August 2025, the Board resolved to amend the Development Advisor Agreement to include another success fee. This success fee represents a 10% proportion of the total aggregate success fees actually paid to Verbrec Limited under the Memorandum of Understanding with Australian Gas Infrastructure Group (AGIG). In the aggregate this may accrue to a maximum payment to Mr. O'Sullivan of $1.0m plus CPI escalation since 2018 if all conditions are met and the Mid-West Infrastructure Project reaches final investment decision on all infrastructure components. The success fee is only payable if Verbrec Limited is paid under the MOU.

4.2 OFFICERS AND OTHER KMP'S

The table below sets out contractual entitlements of Officers of the Company including target mix of fixed and at-risk components for each of the Officers of the Company for FY2025 as a percentage of total fixed remuneration:

	ROLE	FIXED REMUNERATION (TFR) ($)	ELT INCENTIVE PLAN (MAXIMUM AS % OF TFR)	VERBREC LIMITED RIGHTS PLAN (MAXIMUM AS % OF TFR)	NOTICE PERIOD	NON-MONETARY BENEFITS
Mark Read	Chief Executive Officer	475,000	Base: 50% Stretch: 25%	70%	6 months	Car park
Richard Aden	Chief Financial Officer	342,537	Base: 25% Stretch: 15%	40%	3 months	-
Brad Love	Executive General Manager	283,217	Base: 25% Stretch: 15%	25%	3 months	Car park
Joel Voss	Company Secretary	247,530	Base: 25% Stretch: 15%	25%	3 months	Car park

- The following additional benefits are included in Mr. Mark Read's employment contract which are not included as part of the executive's TFR for the purposes of assessing incentive plan entitlements:
  - Verbrec leases accommodation unit on behalf of Mr. Read to a maximum lease value of $650 per week;
  - an allowance of up to $3,600 per annum for reimbursement of utility costs at the Brisbane accommodation; and
  - a motor vehicle allowance of $15,000 per annum and car park.
- The Verbrec Limited Rights Plan (Maximum) is the maximum stated annual entitlements in the KMP's contracts of employment. The Verbrec Limited Rights Plan, described in section 7.2 require that multiple years of performance rights are issued (subject to testing) at the commencement of the Measurement Period, and are tested against Vesting Criteria annually. Accordingly, the actual value awarded to the KMP's listed in the above table may exceed the Verbrec Limited Rights Plan (Maximum) in any one year of the plan depending on the proportion of Vesting Criteria achieved at the Measurement Date.
- On 1 July 2025, for each of Mr. Richard Aden, Mr. Brad Love and Mr. Joel Voss, the superannuation component of the fixed remuneration has been increased in line with the legislated superannuation guarantee increase (12.0%) up to the maximum contribution base.
- On 31 July 2025, Board approved the notice period for Mr. Richard Aden, Mr. Brad Love and Mr. Joel Voss to be increased from 3 months to 6 months.

5. KMP REMUNERATION

Name	Year	Fixed remuneration					Variable remuneration		Total	Proportion of remuneration performance related	Value of options and Rights as proportion of remuneration
		Salary[3] & Fees[4]	Non-monetary benefits	Annual and long service leave[5]	Post-employment benefits	Termination benefits	STI Cash Bonus[3]	Performance Rights[6]			
		$	$	$	$	$	$	$	$	%	%
Phillip Campbell	**FY25**	**140,000**	**-**	**-**	**-**	**-**	**-**	**-**	**140,000**	**100.00**	**0.00**
	FY24	120,000	-	-	-	-	-	-	120,000	100.00	0.00
Matthew Morgan	**FY25**	**85,000**	**-**	**-**	**-**	**-**	**-**	**-**	**85,000**	**100.00**	**0.00**
	FY24	75,000	-	-	-	-	-	-	75,000	100.00	0.00
Brian O'Sullivan	**FY25**	**205,000**	**-**	**-**	**-**	**-**	**-**	**-**	**205,000**	**100.00**	**0.00**
	FY24	195,000	-	-	-	-	-	-	195,000	100.00	0.00
Sarah Zeljko[7]	**FY25**	-	-	-	-	-	-	-	-	-	-
	FY24	31,250	-	-	-	-	-	-	31,250	100.00	0.00
Total Director Remuneration	**FY25**	**430,000**	**-**	**-**	**-**	**-**	**-**	**-**	**430,000**	**100.00**	**0.00**
	FY24	421,250	-	-	-	-	-	-	421,250	100.00	0.00
Mark Read	**FY25**	**485,869**	**2,866**	**(5,611)**	**29,932**	**-**	**-**	**318,908**	**831,963**	**61.67**	**38.33**
	FY24	460,210	2,369	19,885	27,926	-	-	98,934	609,323	83.76	16.24
Richard Aden	**FY25**	**309,163**	**-**	**3,557**	**29,932**	**-**	**66,600**	**131,271**	**540,524**	**63.39**	**36.61**
	FY24	270,001	-	16,530	24,865	-	-	40,724	352,119	88.43	11.57
Brad Love	**FY25**	**251,503**	**2,866**	**3,353**	**28,201**	**-**	**37,500**	**51,309**	**374,732**	**76.30**	**23.70**
	FY24	244,707	2.961	(18,813)	26,123	-	-	15,917	270,896	94.12	5.88
Joel Voss	**FY25**	**216,567**	**2,866**	**(4,501)**	**25,604**	**-**	**31,801**	**60,750**	**333,087**	**72.21**	**27.79**
	FY24	192,761	2.961	15,709	23,428	-	-	18,846	253,706	92.57	7.43
Michael Casey[8]	**FY25**	-	-	-	-	-	-	-	-	-	-
	FY24	59,752	159	-	5,269	45,914	-		111,094	100.00	0.00
Total Executive Remuneration	**FY25**	**1,263,102**	**8,597**	**(3,202)**	**113,670**	**-**	**135,901**	**562,238**	**2,080,307**	**66.44**	**27.03**
	FY24	1,227,430	8,451	33,310	107,611	45,914	-	174,421	1,597,138	89.08	10.92

[3] Includes paid leave entitlements for Executives
[4] Includes director fees and as applicable the proceeds of any contract entered into between the Director and Verbrec as declared under section 4.1.
[5] Represents the annual leave and long service leave provision made for the year
[6] Performance rights allocation for KMP's was recognised based on share based payment expense accrual for the year. More details available at 7.2.
[7] Sarah Zeljko retired on 29 November 2023. Payment amounts include amounts paid until date of retirement.
[8] Michael Casey resigned on 1 September 2023. Payment amounts include amounts paid until date of resignation.

6. KMP BALANCE MOVEMENTS

6.1 SHARES

The movement during the reporting year in the number of ordinary shares in the Company held directly, indirectly or beneficially, by KMPs of the consolidated entity, is detailed in the following table.

	PHILLIP CAMPBELL	MATTHEW MORGAN	BRIAN O'SULLIVAN	MARK READ	RICHARD ADEN	BRAD LOVE	JOEL VOSS
	Director	*Director*	*Director*	*Officer*	*Officer*	*Officer*	*Officer*
Balance at 1 July 2024 ('SOFY')	1,503,309	866,296	72,420,779	927,483	166,667	-	793,040
Issued due to exercise of Performance Rights	-	-	-	-	1,119,319	437,500	518,000
Purchased / (Sold)	-	-	(7,692,308)	-	-	-	60,841
Balance at 30 June 2025 ('EOFY')	1,503,309	866,296	64,728,471	927,483	1,285,986	437,500	1,371,881

6.2 PERFORMANCE RIGHTS

The movement during the reporting period in the number of Performance Rights under the Verbrec Limited Rights Plan held directly, indirectly or beneficially by KMP's of the consolidated entity is detailed in the below table. Further information on the Verbrec Limited Rights Plan is detailed in section 7.2.

	PHILLIP CAMPBELL	MATTHEW MORGAN	BRIAN O'SULLIVAN	MARK READ	RICHARD ADEN	BRAD LOVE	JOEL VOSS
	Director	*Director*	*Director*	*Officer*	*Officer*	*Officer*	*Officer*
Granted and held at the start of the reporting period (subject to vesting tests)	-	-	-	7,769,278	3,198,054	1,250,000	1,480,000
Vested and exercisable at the start of the reporting period	-	-	-	-	-	-	-
Granted during the reporting period as compensation (subject to vesting tests)	-	-	-	-	-	-	-
Vested and exercisable (not exercised during the reporting period)	-	-	-	-	-	-	-
Vested and exercisable (exercised during the reporting period)	-	-	-	-	1,119,319	437,500	518,000
Granted and held at the end of the reporting period (subject to vesting tests)	**-**	**-**	**-**	**7,769,278**	**2,078,735**	**812,500**	**962,000**
Vested and exercisable at the end of the reporting period	-	-	-	-	-	-	-

7. ELEMENTS OF REMUNERATION

The remuneration and other terms of employment for the Group's executive KMP are formalised in Executive Service Agreements and the documents forming the incentive plans.

The total remuneration packages for these executive KMP contain:

Fixed Remuneration	Comprises salary plus superannuation capped at the concessional contribution limit. Fixed remuneration is set with reference to role, market, relevant experience, and performance. It is reviewed annually.
At-risk Remuneration	Cash-based payments and incentives, including: • Verbrec ELT Incentive Plan, consistent with the contractual entitlements detailed in section 4, under which, entitlement is based on financial and operations performance over the financial year, in addition to individualised performance metrics. • Discretionary cash incentives consistent with section 7.3.
	Rights-based payments and incentives, including: • Rights issued under the Verbrec Limited Rights Plan, consistent with the contractual entitlements detailed in section 4, approved by shareholders at the Company's Annual General Meeting on 29 November 2023. • Rights issued under another plan approved by shareholders consistent with Listing Rules 7.2 (Exception 13). • Discretionary rights-based incentives in accordance with ASX Listing Rules and consistent with section 7.3.

The contractual entitlement to elements of remuneration is detailed in section 4.

The remuneration paid to KMP's throughout the reporting period is detailed in section 5.

7.1 VERBREC ELT INCENTIVE PLAN

The Verbrec ELT Incentive Plan is a short term, cash-based incentive plan offered to KMP's and other members of the Company's executive leadership team (ELT).

The objective of the ELT Incentive Plan is to specifically tailor incentives to link operational performance goals with shareholder interests and to motivate leaders of the organisation to meet annual objectives.

The ELT Incentive Plan requires participants to meet certain financial gates and performance measures in order to achieve this at-risk component of remuneration. These measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each participant has a level of responsibility or control. The measures target areas the Board believes hold the greatest potential for expansion and profit and consider both financial and non-financial goals of the Company.

The performance measures are set annually after consultation with the Directors and the executives and are specifically tailored to the areas where each Executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Board has the final discretion on determining the extent to which performance measures have been met by participants of the ELT Incentive Plan.

The assessment of entitlement to incentive payment under the ELT Incentive Plan for FY2025 occurs after the release of Verbrec's FY2025 Annual Report.

7.2 VERBREC LIMITED RIGHTS PLAN

On 29 November 2023, shareholders approved up to 33 million Performance Rights to be issued under the Verbrec Limited Rights Plan in the subsequent three years without affecting the Company's placement capacity under ASX Listing Rule 7.1, consistent with ASX Listing Rule 7.2 (Exception 13).

The objective of the Verbrec Limited Rights Plan is to align performance-based remuneration (in the form of Performance Rights) to the long-term interests of shareholders.

The assessment of entitlement to Performance Rights under the Verbrec Limited Rights Plan for FY2025 occurs after the release of Verbrec's FY2025 Annual Report.

The movements in Performance Rights during the period under the Verbrec Limited Rights Plan as approved by shareholders in November 2023 is mentioned in *note 10 Share based Payments*.

The key terms of the performance rights granted are as follows:

<table>
<tr><th>MEASUREMENT PERIOD</th><th colspan="3">COMMENCEMENT: 1 JULY 2023
ENDING: 30 JUNE 2028</th></tr>
<tr><td>Dates for Vesting Criteria Testing</td><td colspan="3">The Performance Rights will typically be tested for vesting annually within 30 Business Days after the publication of Verbrec's full year financial reports:
- 30 September 2024
- 30 September 2025
- 30 September 2026
- 30 September 2027
- 30 September 2028</td></tr>
<tr><td rowspan="10">Vesting Criteria</td><td>Criteria</td><td>Weighting</td><td>Fair Value at Grant Date ($ per Right)</td></tr>
<tr><td>Restore Dividend to Shareholders</td><td>20%</td><td>0.0856</td></tr>
<tr><td>Earnings per Share Growth Target – Base</td><td>10%</td><td>0.0856</td></tr>
<tr><td>Earnings per Share Growth Target – Stretch</td><td>15%</td><td>0.0856</td></tr>
<tr><td>Total Shareholder Return Growth Target – Base</td><td>10%</td><td>0.0854</td></tr>
<tr><td>Total Shareholder Return Growth Target – Stretch</td><td>15%</td><td>0.0764</td></tr>
<tr><td>Balance Sheet Repair</td><td>10%</td><td>0.0856</td></tr>
<tr><td>Revenue Growth Target</td><td>10%</td><td>0.0856</td></tr>
<tr><td>Renewable Sector Target</td><td>10%</td><td>0.0856</td></tr>
<tr><td colspan="3">The particulars associated with each target have been selected by Board as achievable targets within the Measurement Period.

The column titled 'Weighting' means the proportion of the Performance Rights that will vest upon successful achievement of the Vesting Criteria, tested at each Date for Vesting Criteria Testing.</td></tr>
<tr><td>Instrument</td><td colspan="3">The Plan uses Rights which may be constructed as part of the terms of an Invitation as an entitlement to the value of a Share (less any Exercise Price) which may be satisfied either in cash and/or in Shares (at the Board's discretion). Generally, it is expected that exercised Rights will be satisfied in Shares.

The Plan allows for three classes of Rights which may be appropriate forms of remuneration under various circumstances, being;
• Performance Rights which vest when performance conditions have been satisfied and will generally be used for the purpose of granting LTVR to executives,
• Service Rights which vest after completion of a period of service and which will generally be used as a retention incentive below the executive level, if and when appropriate, and
• Restricted Rights which are vested at grant but may not be exercised within 90 days of grant and will generally be used to defer earned remuneration from time to time e.g. to defer STVR or as part of fixed remuneration.

When an Exercise Price greater than nil is specified in an Invitation the Rights are Share Appreciation Rights that only produce value when the Share Price exceeds the Exercise Price at the time of Exercise i.e. equivalent to an option. They may be Performance Share Appreciation Rights, Service Share Appreciation Rights or Restricted Share Appreciation rights under the foregoing classes of Rights.</td></tr>
</table>

Terms and Conditions	The Board has the discretion to set the terms and conditions on which it will offer Rights under the Plan. Such terms and conditions will be included in Invitations. When vesting conditions are included it is intended that they will be challenging and linked to indicators of sustainable value creation for shareholders. The terms and conditions of the Plan include those aspects legally required as well as terms addressing exceptional circumstances, such as a de-listing, a major return of capital to shareholders, including the treatment of Rights and Restricted Shares on termination of employment. The Plan contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the Plan.
Variation of Terms and Conditions	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary or amend the terms and conditions of the Plan.
Eligibility	Eligible Persons selected by the Board will be invited to participate in the Plan provided that an Eligible Person shall not be a non-executive Director of the Company.
Term	Each Invitation will specify the Term of Rights, as determined by the Board, and if not exercised within the Term the Rights will lapse. The maximum term allowable is 15 years under the Rules, which is based on the maximum tax deferral period in Australia.
Number of Rights	The number of Rights specified in an Invitation will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined subsequent to the AGM with regard to the relevant goals of the Company, relevant market practices and the relevant policies of the Company regarding remuneration, such that total remuneration is appropriate in both quantum and structure.
Cost of Rights	No amount is payable by Participants for Rights unless otherwise determined by the Board.
Exercise Price	No Exercise Price is payable by a Participant to exercise Rights under the Rules. However, as part of the terms of an Invitation the Board may determine that a notional Exercise Price applies, which will be deducted from the value of a Share in determining the Exercised Rights Value i.e. creating a cashless exercise option or Share Appreciation Right which functions identically to an option, but is less dilutive than traditional options from a shareholder perspective.
Measurement Period	The Measurement Period is the period over which vesting conditions are assessed and may be determined by the Board as part of each Invitation but will generally be tested for vesting against Vesting Criteria annually over a five-year period for Performance Rights, starting from the beginning of the first financial year in the Measurement Period (including for Performance Share Appreciation Rights).
Vesting Conditions	Vesting Conditions may be determined by the Board as part of each Invitation. Performance Rights will vest based on selected measures of Company performance and service with the Company. They are intended to create alignment with indicators of shareholder value creation over the Measurement Period. Service Rights will vest solely based on periods of service with the Company and will generally relate to annual remuneration cycles when granted as part of fixed remuneration. Restricted Rights do not have Vesting Conditions and are fully vested at grant.
Gates	The Board may attach Gates to tranches of Performance Rights. A Gate is a condition that, if not fulfilled, will result in nil vesting of a tranche irrespective of performance in relation to the Vesting Conditions.
Exercise Restrictions	An Invitation may specify a period of Exercise Restrictions during which Rights may not be exercised, even if vested. For Restricted Rights which are fully vested at grant, Exercise Restrictions apply for at least 90 days following grant.
Disposal Restrictions	Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law. Shares acquired from the exercise of vested Rights will be subject to disposal restrictions due to: • The Company's securities trading policy, and • The insider trading provisions of the Corporations Act. Shares resulting from the exercising of Rights that may not be traded due to the foregoing or because of Specified Disposal Restrictions included in an Invitation will be Restricted Shares while they are so restricted. Verbrec will ensure that such restrictions are enforced due to the presence of CHESS holding locks or alternatively by any trustee that may appointed in connection with the Plan.
Exercise of Vested Rights	Vested Rights may be exercised at any time between the Vesting Date (or the latter elapsing of Exercise Restrictions, if applicable) and the end of their Term, by the Participant submitting an Exercise Notice, otherwise they will lapse. The Exercised Rights Value will be determined as follows and will be either be paid in cash, converted into Shares based on the then Share price, or a combination of cash and Shares, as determined by the Board (depending on the terms of the Invitation): **Exercised Rights Value = Number of Rights Exercised x (Share Price at Exercise – Exercise Price)** Generally, it is expected that vested Rights will be settled in Shares. Such Shares may be Restricted Shares as they will be subject to disposal restrictions if the exercise occurs during a period in which trading in Shares is prohibited under the Company's securities trading policy.

Disposal and Exercise Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Rights or Restricted Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of the taxable Rights and Shares. This ensures that unreasonable tax outcomes are avoided.
Termination of Employment	Generally, employment is a pre-requisite for a Participant's Performance Rights to vest. Performance Rights (including Performance Share Appreciation Rights) will be forfeited by the Participant in full if not employed at the time of testing the Vesting Criteria. Service Rights (including Service Share Appreciation Rights) will be dealt with as specified in the relevant Invitation as appropriate to the circumstances of the granting of Service Rights and applicable Measurement Periods. Generally pro-rata vesting for the period of service completed will apply. Vested Rights held after a Participant's termination of office or employment with the Group will be automatically exercised 90 days after the date on which the Participant ceases to hold any unvested Rights and all Exercise Restrictions have elapsed. If Rights are exercised after the termination of employment and the Share price is lower at the date of exercise than on the date of termination, then the Exercised Rights Value will be settled in cash unless otherwise determined by the Board, in order to ensure an appropriate taxation outcome for the Participant. It should be noted that the Plan contains clauses that address fraud, misconduct, inappropriate benefits and clawback which will result in the forfeiture of unvested and unexercised rights equivalent to traditional "Bad Leaver" approaches, but which may apply at any time including during employment. Board may, at its discretion determine differing or contrary conditions within the Invitation if it deems it appropriate in the circumstances having considered relevant factors.
Change in Control	In the event the Board determines that the Company will be subject to a Change in Control, the Vesting Conditions specified in an Invitation for Rights will cease to apply and the proportion of unvested Rights that vest in the Participant shall be on the terms and in accordance with the Change in Control Formula. Change in Control Formula means the clause and formula determined by the Board and included in the Invitation and / or the Rules which is titled "Change in Control Formula". If there is inconsistency between the Invitation and the Rules, the Invitation shall be interpreted with priority. The unvested Rights that vest in the Participant in accordance with the Change in Control Formula(s) must not exceed 100% of the unvested Rights included in the Invitation which have not lapsed at the Reference Date.
Delisting	In the event the Board determines that the Company will be subject to a de-listing other than due to a Change in Control, the Vesting Conditions specified in an Invitation for Rights will cease to apply and the proportion of unvested Rights that vest in the Participant shall be on the terms and in accordance with the Delisting Formula. Delisting Formula means the clause and formula determined by the Board and included in the Invitation and / or the Rules which is titled "Delisting Formula". If there is inconsistency between the Invitation and the Rules, the Invitation shall be interpreted with priority. The unvested Rights that vest in the Participant in accordance with the Delisting Formula(s) must not exceed 100% of the unvested Rights included in the Invitation which have not lapsed at the Reference Date.
Major Return of Capital or Demerger	In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board has discretion to vest, lapse or adjust the terms of Rights such that Participants are neither advantaged nor disadvantaged by the corporate action. Restricted Rights will cease to be subject to Exercise Restrictions and Specified Disposal Restrictions prior to the return of capital or demerger, on the date determined by the Board.
Board Discretion and Preventing Inappropriate Benefits	The Board has discretion to adjust the number of Rights that ultimately vest if it forms the view that the unadjusted outcome is not appropriate to the circumstances that prevailed over the Measurement Period and/or to the contribution of a Participant to outcomes over the Measurement Period. The Board has sole discretion to determine that some or all unexercised Rights held by a Participant lapse on a specified date, if allowing the Rights to be retained would, in the opinion of the Board, result in an inappropriate benefit to the Participant. Such circumstances include joining a competitor or actions that harm the Company's stakeholders. In the case of fraud or misconduct, Participant will forfeit all unvested Rights.

Bonus Issues, Rights Issues, Voting and Dividend Entitlements	The number of Rights held by Participants will be proportionately adjusted to reflect bonus issues and/or the Exercise Price adjusted so that no advantage or disadvantage arises for the Participant. Right holders will not participate in Shareholder rights issues but may, subject to the ASX Listing Rules, be offered options on similar terms to the rights issue. Rights do not carry voting or dividend entitlements. Shares (including Restricted Shares) issued when Rights are exercised carry all entitlements of Shares, including voting and dividend entitlements.
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.
Issue or Acquisition of Shares	Shares allocated to a Participant when Rights are exercised under the Plan may be issued by the Company or acquired on or off market by a trustee whose purpose is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the Plan.
Hedging	The Company prohibits the hedging of Rights or Shares subject to disposal restrictions by specified Participants.

For further information regarding share-based payments, including Performance Rights under the Verbrec Limited Rights Plan, see note 10 to the Consolidated Financial Statements.

7.3 OTHER CASH-BASED AND RIGHTS-BASED INCENTIVES

The Board, in consultation with the Chief Executive Officer may from time to time approve the payment of discretionary cash-based incentives and bonuses for executives or non-executive employees.

The Board, in consultation with the Chief Executive Officer may from time to time, subject to ASX Listing Rules, approve the issue, vesting or exercise of rights-based incentives and bonuses for executives or non-executive employees.

The Board considers performance, strategic initiatives and ultimately long-term shareholder interests when making such decisions.

8. OTHER STATUTORY INFORMATION

The following table summarises shareholder approved resolutions at meetings of the Company which are applicable to this remuneration report. See the referenced notice of meeting documentation for further information.

MEETING TYPE	MEETING DATE	RESOLUTION	STATUS
Annual General Meeting	29-Nov-23	*Resolution 3: Approval of the Verbrec Limited Rights Plan* That, for the purposes of Listing Rule 7.2, Exception 13, and for all other purposes, the Verbrec Limited Rights Plan (the Plan) and any grants of Rights (as defined in the Plan) issued under the Plan, be approved.	Carried 98.89% in favour
Annual General Meeting	29-Nov-24	*Resolution 1: Adoption of the Remuneration Report* That for the purposes of section 250R(2) of the Corporations Act, the remuneration report contained in the Director's report for the year ended 30 June 2024 be adopted by the Company.	Carried 99.91% in favour
Annual General Meeting	29-Nov-24	*Resolution 3: Amendment to the prior approval of Verbrec Limited Rights Plan Rules* That, for the purposes of Listing Rule 7.2, Exception 13 and for all other purposes, the amendments to the prior approval of Verbrec Limited Rights Plan Rules, be approved.	Carried 99.95% in favour
Annual General Meeting	29-Nov-24	*Resolution 4: Termination Benefits* That, for the purposes of sections 200B and 200E of the Corporations Act, and all other purposes, approval is provided for the giving of all benefits to any current or future persons who hold a managerial of executive office in the Company or a related body corporate in connection with that person ceasing to hold such office, as further described in the explanatory statement.	Carried 99.90% in favour

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Auditor's Independence Declaration

To the Directors of Verbrec Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Verbrec Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 28 August 2025

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ACN-130 913 594

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FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Current Reporting Period

Financial Year ended 30 June 2025

Previous Corresponding Period

Financial Year ended 30 June 2024

INSIDE THIS REPORT

VERBREC LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Notes	**2025** **$'000**	2024 $'000
Continuing operations			
Revenue	4(a)	**85,617**	93,351
Cost of providing services	4(e)	**(53,660)**	(59,946)
Gross profit		**31,957**	**33,405**
Other income	4(b)	**72**	130
Other operating expenses	4(d)	**(27,755)**	(28,142)
Profit/ (loss) from operating activities		**4,274**	**5,393**
Finance expense	4(c)	**(772)**	(1,015)
Profit/ (loss) before income tax		**3,502**	**4,378**
Income tax (expense)/ benefit	4(f)	**233**	376
Profit/ (loss) from continuing operations		**3,735**	**4,754**
Loss from discontinued operation	4(i)	**-**	(2,806)
Profit/ (loss) attributable to owners of the Company		**3,735**	**1,948**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation differences		**35**	52
Other comprehensive income for year, net of tax		**35**	**52**
Total comprehensive profit/ (loss) for the year attributable to owners of the Company		**3,770**	**2,000**
Total comprehensive profit/ (loss) for the year attributable to owners of the Company arises from:			
Continuing operations		**3,770**	4,806
Discontinued operations		**-**	(2,806)
		3,770	2,000
Earnings per share from continuing operations			
Basic earnings per share (cents per share)	4(g)	**1.3**	1.8
Diluted earnings per share (cents per share)	4(g)	**1.2**	1.7
Earnings per share for profit attributable to the ordinary equity holders of the company			
Basic earnings per share (cents per share)	4(g)	**1.3**	0.7
Diluted earnings per share (cents per share)	4(g)	**1.2**	0.7

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

VERBREC LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
Assets			
Cash and cash equivalents	5(a)	**7,137**	4,618
Trade and other receivables	5(b)	**14,489**	13,666
Prepayments		**1,456**	1,638
Contract assets	5(b)	**2,932**	3,041
Current tax assets	4(f)	**3**	18
Total current assets		**26,017**	22,981
Property, plant and equipment	6(a)	**1,087**	1,069
Right-of-use assets	6(b)	**4,049**	5,167
Deferred tax assets	4(f)	**8,452**	8,210
Intangible assets	6(c)	**9,803**	10,267
Total non-current assets		**23,391**	24,713
Total assets		**49,408**	47,694
Liabilities			
Trade and other payables	5(c)	**7,351**	7,683
Contract liabilities	5(d)	**3,491**	2,552
Borrowings	5(g)	**1,128**	2,334
Lease liabilities	6(b)	**2,472**	2,444
Employee benefits	5(e)	**3,817**	3,990
Provisions	5(f)	**469**	977
Total current liabilities		**18,728**	19,980
Employee benefits	5(e)	**542**	483
Borrowings	5(g)	**3,753**	4,302
Lease liabilities	6(b)	**2,217**	3,558
Provisions	5(f)	**326**	206
Total non-current liabilities		**6,838**	8,549
Total liabilities		**25,566**	28,529
Net assets		**23,842**	19,165
Equity			
Share capital	7(a)	**28,289**	27,990
Reserves	7(b)	**1,362**	719
Retained earnings		**(5,809)**	(9,544)
Total equity attributable to owners of the Company		**23,842**	19,165

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

VERBREC LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

		Attributable to owners of Verbrec Limited			
		Share capital	Reserves	Retained earnings	Total
	Notes	$'000	$'000	$'000	$'000
Balance at 1 July 2023		24,267	266	(11,492)	13,041
Profit for the year		-	-	1,948	1,948
Other comprehensive income		-	52	-	52
Total comprehensive income for the year		-	52	1,948	2,000
Contribution of equity, net of transaction costs		3,723	-	-	3,723
Equity settled share based payment expense	10	-	401	-	401
Balance at 30 June 2024		27,990	719	(9,544)	19,165
Balance at 1 July 2024		**27,990**	**719**	**(9,544)**	**19,165**
Profit for the year		**-**	**-**	**3,735**	**3,735**
Other comprehensive income		**-**	**35**		**35**
Total comprehensive income for the year		**-**	**35**	**3,735**	**3,770**
Performance rights exercised	**7(a)**	**299**	**(299)**	**-**	**-**
Equity settled share based payment expense	**10**	**-**	**907**	**-**	**907**
Balance at 30 June 2025		**28,289**	**1,362**	**(5,809)**	**23,842**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

VERBREC LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers (including GST)		**93,260**	106,912
Payments to suppliers and employees (including GST)		**(85,912)**	(104,317)
		7,348	2,595
Interest received		**69**	100
Interest paid		**(932)**	(690)
Income taxes refunded		**15**	2
Net cash inflow/(outflow) from operating activities	5(a)	**6,500**	2,007
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		**-**	14
Payments related to sale of SST business*	4(i)	**-**	(303)
Payment for acquisition of subsidiary, net of cash acquired		**-**	(939)
Acquisition of property, plant and equipment and intangibles		**(762)**	(244)
Net cash outflow from investing activities		**(762)**	(1,472)
Cash flow from financing activities			
Share issue cost		**-**	(199)
Proceeds from issue of shares	7(a)	**-**	4,033
Proceeds from borrowings		**2,185**	2,665
Repayment of borrowings		**(2,754)**	(3,995)
Principal elements of lease payments		**(2,665)**	(2,904)
Net cash (outflow)/inflow from financing activities		**(3,234)**	(400)
Net increase in cash and cash equivalents		**2,504**	135
Cash and cash equivalents at the beginning of the year		**4,618**	4,461
Effects of exchange rate changes on cash and cash equivalents		**15**	22
Cash and cash equivalents at the end of the year	5(a)	**7,137**	4,618

*The Group has elected to present a statement of cash flows that analyses all cash flows in total – i.e. including both continuing and discontinued operations; amounts related to discontinued operations by operating, investing and financing activities are disclosed in Note 4(i).

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

VERBREC LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

1 GENERAL INFORMATION

Verbrec Limited (the "Company") or ("Verbrec") is a company domiciled in Australia. The address of the Company's registered office is Level 14, 200 Mary Street, Brisbane, Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The Group is a for-profit-entity primarily involved with the resources, energy and infrastructure sectors providing Engineering and Training services, primarily in Australia, New Zealand, Papua New Guinea and the Pacific Islands.

2 BASIS OF PREPARATION

(a) STATEMENT OF COMPLIANCE

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board as applicable to a for-profit entity.

The consolidated financial statements were authorised to issue by the Board of Directors on 28 August 2025.

(b) BASIS OF MEASUREMENT AND PRESENTATION CURRENCY

The Consolidated financial statements have been prepared on the historical cost basis. The Consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in ASIC legislative instrument 2016/191 (Rounding) and in accordance with that legislative instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(c) USE OF ESTIMATES AND JUDGEMENTS

In preparing these consolidated financial statements, management has made judgements and estimates about the future, that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are included in the following notes:

Note 2(d) – going concern

Notes 4(a) and 5(b) – revenue recognition, trade receivables and contract assets

Note 4(f) – recoverability of deferred tax assets

Note 6(c) and 8(j) – measurement of the recoverable amounts of cash-generating units containing goodwill

Note 10 – Share Based Payments

(d) GOING CONCERN

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

For the financial year ended 30 June 2025, the Group made a profit before income tax of $3.5m (2024: profit before income tax of $1.6m) ; recorded net cash inflows from operations of $6.5m (2024: net cash inflows of $2.0m), had a surplus of net current assets of $7.3m (2024: surplus of $3.0m); and was in compliance with its lending facility covenants.

2 BASIS OF PREPARATION (CONTINUED)

(d) GOING CONCERN (CONTINUED)

In the directors' opinion, the going concern basis of preparation remains appropriate because:

- The Group made a profit in full year to 30 June 2025 and recorded net cash inflows from operations.
- As of July 2025, the Group had a healthy range of contracted work,
- The markets in which the Group operates continue to be strong,
- Actions have been taken to reduce overheads across the Group and limited portions of construction activities the Company may have traditionally pursued,
- The Directors anticipate the ongoing support of the Group's shareholders.

The directors are of the view, given the circumstances as outlined above, there is no material uncertainty regarding going concern and as such, that the Group will be able to continue to satisfy its capital and operating commitments as and when they fall due. Accordingly, the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Refer to note 8 for further information.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group.

(a) FOREIGN CURRENCY

Foreign currency transactions

Transactions included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (`the functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency using the year end exchange rates. Foreign currency gains or losses on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the consolidated statement of profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the presentation currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such items are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income and presented in the translation reserve in equity.

(b) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

New and amended accounting standards, that became applicable during the current reporting period as discussed below did not have a material impact on the Group's financial statements'.

As a result of the adoption of the amendments to AASB101, the group changed its accounting policy for the classification of borrowings. Borrowings are classified as current liabilities unless at the end of the reporting period the group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification. This new policy did not result in a change in the classification of Verbrec Limited's borrowings. The group did not make retrospective adjustments as a result of adopting the amendments to AASB101.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The group's assessment of the impact of these new standards and amendments is set out below:

AASB 18 Presentation and Disclosure in Financial Statements applies for annual reporting periods beginning on or after 1 January 2027.

Although the adoption of AASB 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit and loss into the new categories will have minor impact on how operating profit is calculated and reported. From the high-level assessment that the group has performed, the following items might have potentially impact:

- Consolidated statement of profit or loss and other comprehensive income - Foreign exchange gains or losses currently aggregated in the line item "other income" and "other operating expenses" will be disaggregated and presented below operating profit as "foreign exchange gains or losses".
- Consolidated statement of financial position – Goodwill currently aggregated in the line item "Intangible assets" will be disaggregated and presented as separate line item.
- Consolidated statement of cashflows – Currently interest received, and interest paid are presented as separate line items under "Cashflow from operating activities". As per new requirements interest received will be presented under "cashflow from investing activities" and interest paid will be presented under "cashflow from financing activities".

In addition, there will be significant new disclosures required for:

- Management-defined performance measures are disclosed in a single note in the financial statements.
- Based on the nature of income and expenses a further categorisation of line items is required as operating, investing, financing, discontinued operations and income tax categories in the Consolidated statement of profit or loss.
- Enhanced guidance is provided on how to group information in the financial statements.

The group will apply the new standard from its mandatory effective date of 01 January 2027. The comparative information for the financial year ending 30 June 2026 will be restated in accordance with AASB 18.

(d) OTHER ACCOUNTING POLICIES

Material accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to these financial statements.

4 OPERATIONS - RESULTS FOR THE YEAR

(a) REVENUE

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time in the following major service lines and geographical regions:

2025	Australia $'000	New Zealand $'000	Total $'000
Services revenue			
- Engineering services	**72,300**	**5,556**	**77,856**
- Training services	**7,551**	**210**	**7,761**
Total revenue from external parties	**79,851**	**5,766**	**85,617**
Timing of revenue recognition			
At a point in time	**1,063**	**-**	**1,063**
Over time	**78,788**	**5,766**	**84,554**
	79,851	**5,766**	**85,617**

2024	Australia $'000	New Zealand $'000	Total $'000
Services revenue			
- Engineering services	77,956	8,528	86,484
- Training services	6,725	142	6,867
Total revenue from external parties	84,681	8,670	93,351
Timing of revenue recognition	1,215	-	1,215
At a point in time	83,466	8,670	92,136
Over time	84,681	8,670	93,351

Revenue from contracts with customers

Where performance obligations are satisfied over time, revenue is recognised in the consolidated statement of profit or loss by reference to the progress towards complete satisfaction of each performance obligation. This does not include any significant financing component.

- **Revenue Recognition – Engineering services**

Engineering, procurement and/or construction services

Contracts with customers to provide contract engineering, procurement and/or construction services can include either one performance obligation or multiple independent performance obligations within each contract. The Group assesses each of its contracts individually and where there are separate performance obligations identified, the transaction price is allocated based upon the relative stand-alone selling prices of the services provided.

Revenue is recognised over time, based on an input method using an estimate of costs incurred to date as a percentage of total estimated costs at contract completion. Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the consolidated statement of profit or loss.

License revenue from StacksOn software solution

Verbrec generates revenue from granting annual fixed licence of StacksOntm Software which is recognised on a 'point in time' basis, and as such, revenue is taken in line with the commencement or renewal of a licencing period. The licence provides the customer with a right to use the intellectual property as it exists at the point in time the license is granted, with no ongoing performance obligations. Termination rights are enforceable at the time of renewal.

4 OPERATIONS - RESULTS FOR THE YEAR (CONTINUED)

(a) REVENUE (CONTINUED)

- **Revenue Recognition – Training Services**

Revenue from training services is recognised over time (typically 1 to 5 days in duration) when the training services are delivered as the customer receives and consumes the benefits provided by the entity's performance.

	30 June 2025 $'000	30 June 2024 $'000
Gain/(Loss) on sale of fixed assets	**(4)**	108
Sundry income	**76**	22
	72	130

(b) OTHER INCOME

	30 June 2025 $'000	30 June 2024 $'000
Interest income	**69**	100
Interest and finance charges paid/payable	**(569)**	(804)
Interest on lease liability	**(272)**	(311)
	(772)	(1,015)

(c) FINANCE (EXPENSES) / INCOME

(d) OTHER OPERATING EXPENSES

The consolidated statement of profit or loss and other comprehensive income includes the following specific expenses:

	30 June 2025 $'000	30 June 2024 $'000
Salaries and wages	**14,527**	14,376
Share-based payments	**907**	290
Other employment related expenses	**505**	678
General outgoings	**1,220**	1,039
Subscriptions, licenses and memberships	**2,287**	2,197
Consulting	**1,240**	2,673
Depreciation and amortisation**	**3,668**	3,375
Travel and accommodation	**310**	381
Advertising, marketing and promotion	**540**	379
Office expenses	**209**	217
Insurance	**1,527**	1,684
Other administrative expenses	**815**	853
	27,755	28,142

**Included in the above is depreciation on Property, Plant and Equipment $0.5m (2024: $0.5m) and amortization of Right-of-use assets $2.5m (2024: $2.1m) and Intangible Assets $0.8m (2024: $0.8m).

4 OPERATIONS - RESULTS FOR THE YEAR (CONTINUED)

(e) COST OF PROVIDING SERVICES

	30 June 2025 $'000	30 June 2024 $'000
Personnel expenses	**36,080**	39,950
Contractor expenses	**6,497**	6,979
Procurement expenses	**11,083**	13,017
	53,660	59,946

Personnel expenses and contributions to defined contribution superannuation funds

The Group's accounting policy for liabilities associated with employee benefits is set out in note 5(e). All employees in Australia are party to a superannuation guarantee and receive fixed contributions from the Group. A similar arrangement (Kiwisaver) is in place for employees in New Zealand but is voluntary and a small number of employees choose not to participate. The Group's legal or constructive obligation is limited to these contributions in Australia and New Zealand.

The group incurred a total of $4.5m superannuation expenses during the year (2024: $4.6m) which comprises with $4.0m in Personnel Expenses (2024: $4.2m) and $0.5m in salaries and wages (2024: $0.4m) (note 4(d) above).

(f) TAXATION

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Income tax benefit / (expense)

	30 June 2025 $'000	30 June 2024 $'000
Current tax expense		
Current year	**-**	-
Deferred tax benefit / (expense)		
(Decrease) / increase in DTA	**(266)**	(1,260)
Decrease / (increase) in DTL	**509**	1,863
Adjustments for current tax of prior periods	**(10)**	(227)
Total income tax benefit	**233**	376
Numerical reconciliation between tax expense and pre-tax accounting profit		
Profit from continuing operations before income tax expense	**3,502**	4,378
Profit from discontinued operation before income tax expense	**-**	(2,806)
Profit/(loss) before income tax	**3,502**	1,572
Income tax using the Company's domestic tax rate of 30% (2023 - 30%)	**(1,050)**	(472)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Non-deductible expenses	**(187)**	(114)
Movement in relation to disposal of fixed assets	**-**	(380)
Movement in relation to the recognition of DTA on historical losses (previously unrecognised)	**1,925**	1,632
Sundry items	**(455)**	(290)
Total income tax (expense)/ benefit	**233**	376

4 OPERATIONS - RESULTS FOR THE YEAR (CONTINUED)

(f) TAXATION (CONTINUED)

Current tax assets and liabilities

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

	2025 $'000	2024 $'000
Current tax asset		
Current tax asset	**3**	**18**
Current tax liability		
Current tax liability	**-**	-

The current tax asset relates to non-resident contractor withholding tax paid to New Zealand IRD.

Tax assets and liabilities - recognised deferred tax assets and liabilities

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Tax assets related to losses have been recognised in line with significant contracted work and buoyant markets in which the group operates. Refer to note 2(d) for further details.

Deferred tax is based upon the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the applicable tax rates. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets; and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets

	2025 $'000	2024 $'000
The balance comprises temporary differences attributable to:		
Lease liabilities	**1,404**	1,797
Tax losses	**5,243**	5,425
Employee benefits	**1,739**	1,862
Contract liabilities	**1,030**	759
Other deferred tax assets	**1,446**	1,285
	10,862	11,128
Set-off of deferred tax liabilities pursuant to set-off provisions	**(2,410)**	(2,918)
Net deferred tax assets	**8,452**	8,210

4 OPERATIONS - RESULTS FOR THE YEAR (CONTINUED)

(f) TAXATION (CONTINUED)

Deferred tax assets (continued)

	Lease liabilities $'000	Tax losses $'000	Employee benefits $'000	Contract liabilities $'000	Other deferred tax assets $'000	Total $'000
Movements						
As at 1 July 2023	1,819	4,970	2,146	1,774	1,678	12,387
(Charged)/credited to profit or loss	(22)	455	(284)	(1,015)	(393)	(1,259)
As at 30 June 2024	1,797	5,425	1,862	759	1,285	11,128
As at 1 July 2024	**1,797**	**5,425**	**1,862**	**759**	**1,285**	**11,128**
(Charged)/credited to profit or loss	**(393)**	**(182)**	**(123)**	**271**	**161**	**(266)**
As at 30 June 2025	**1,404**	**5,243**	**1,739**	**1,030**	**1,446**	**10,862**

Deferred tax liabilities

	2025 **$'000**	2024 $'000
The balance comprises temporary differences attributable to:		
Right-of-use asset	**(1,213)**	(1,522)
Work in progress	**(817)**	(866)
Customer relationships	**(350)**	(492)
Other deferred tax liabilities	**(30)**	(38)
	(2,410)	(2,918)
Set-off of deferred tax liabilities pursuant to set-off provisions	**2,410**	2,918
Net deferred tax liabilities	-	-

4 OPERATIONS - RESULTS FOR THE YEAR (CONTINUED)

(f) TAXATION (CONTINUED)

Deferred tax liabilities (continued)

	Right of use assets $'000	Work in progress $'000	Customer relationships $'000	Other deferred tax liabilities $'000	Total $'000
Movements					
As at 1 July 2023	(1,434)	(2,450)	(669)	(228)	(4,781)
(Charged)/ credited to profit or loss	(88)	1,584	177	190	1,863
As at 30 June 2024	(1,522)	(866)	(492)	(38)	(2,918)
As at 1 July 2024	**(1,522)**	**(866)**	**(492)**	**(38)**	**(2,918)**
(Charged)/ credited to profit or loss	309	49	142	8	508
As at 30 June 2025	(1,213)	(817)	(350)	(30)	(2,410)

Deferred tax is not recognised for the following temporary differences:

- Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit:
- Differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Initial recognition of goodwill; and

At 30 June 2025, there was a tax benefit of $9.5m (2024: $11.4m) relating to unused tax losses of $31.5m (2024: $37.9m), of which the Group has recognized DTA on tax losses of $17.3m (2024: $18.0m) and accordingly, the amount of unrecognized tax losses is $14.2m (2024: $19.9m). Management has determined that the recoverability of recognized tax losses is likely given the business' current on ongoing performance.

Tax consolidation
The Company and its wholly owned Australian resident entities are part of a Tax Consolidated Group. Consequently, all members of the Tax Consolidated Group are taxed as a single entity. The parent entity within the Tax Consolidated Group is Verbrec Limited.

4 OPERATIONS - RESULTS FOR THE YEAR (CONTINUED)

(g) EARNINGS PER SHARE

Reconciliation of earnings used in calculating earnings per share from:

Continuing operations	30 June 2025 $'000	30 June 2024 $'000
Profit/ (loss) for the year from continuing operations	**3,735**	4,754
WANOS[1] used to calculate basic EPS (Shares)	**290,252**	261,229
WANOS[1] used to calculate diluted EPS (Shares)	**318,077**	273,627
Basic EPS (cents per share)	**1.3**	1.8
Diluted EPS (cents per share)	**1.2**	1.7

Overall operations	30 June 2025 $'000	30 June 2024 $'000
Profit/ (loss) for the year from continuing operations	**3,735**	1,949
WANOS[1] used to calculate basic EPS (Shares)	**290,252**	261,229
WANOS[1] used to calculate diluted EPS (Shares)	**318,077**	273,627
Basic EPS (cents per share)	**1.3**	0.7
Diluted EPS (cents per share)	**1.2**	0.7

[1]Weighted average number of ordinary shares

	30 June 2025	30 June 2024
Number of shares		
WANOS used to calculate basic EPS	**290,252**	261,229
Effect of performance rights and options on issue	**27,825**	12,398
WANOS used to calculate diluted EPS	**318,077**	273,627

Calculation of earnings per share

Basic earnings per share

Basic earnings per share is calculated as net profit attributable to ordinary shareholders, adjusted to exclude any costs of servicing equity (other than dividends), divided by the WANOS, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share are calculated as net profit attributable to ordinary shareholders, adjusted for:

- Cost of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the year that would result from the dilution of potential ordinary shares divided by the WANOS and dilutive potential ordinary shares, adjusted for any bonus element.

Diluted earnings per share doesn't include potential ordinary shares because they are antidilutive for the year ended 30 June 2025 and they could potentially dilute basic earnings per share in the future.

4 OPERATIONS - RESULTS FOR THE YEAR (CONTINUED)

(h) SEGMENT INFORMATION

The Group has two reportable segments in which it operates, being Engineering services and Training. This is based on information that is internally provided to the executive group for assessing performance and making operating decisions.

The Group is domiciled in Australia with subsidiary companies registered in New Zealand and with operations across Australia, New Zealand, Papua New Guinea and the Pacific Islands. Revenue and non-current assets are attributed to the reportable segments based on the operations of the segment and physical location of the assets and are as follows:

Revenue

Revenue	**30 June 2025 $'000**	30 June 2024 $'000
Engineering services	**77,856**	86,484
Training services	**7,761**	6,867
	85,617	93,351

Reconciliation of EBITDA to operating profit before income tax is as follows:

EBITDA	**30 June 2025 $'000**	30 June 2024 $'000
Engineering services	**6,004**	7,110
Training services	**1,938**	1,658
	7,942	8,768
EBITDA	**7,942**	8,768
Finance cost	**(772)**	(1,015)
Depreciation and amortisation	**(3,668)**	(3,375)
Profit/ (loss) before income tax from continuing operations	**3,502**	4,378

Details of the Group's most significant customer revenues for the year ended 30 June 2025 are shown in the following table. The most significant single customer for the year ended 30 June 2025 is a large, resources company.

	30 June 2025		30 June 2024	
	$'000	**% of revenue**	$'000	% of revenue
Most significant single customer	**9,091**	**11%**	8,825	9%
Top 10 most significant customers	**39,623**	**46%**	47,966	51%

	2025 $'000	2024 $'000
Non-current assets excluding deferred tax assets		
Australia	**14,495**	15,987
New Zealand	**444**	516
	14,939	16,503

4 OPERATIONS - RESULTS FOR THE YEAR (CONTINUED)

(i) DISCONTINUED OPERATION

There were no sales of business units during the financial year ending 30 June 2025.

I. Results of discontinued operations

	30 June 2025 $'000	30 June 2024 $'000
Revenue	-	1,885
Expenses (including discounting on contingent consideration)	-	(2,563)
Loss on disposal of assets associated with discontinued operation	-	(2,128)
Other gains (including gain on fair value of financial liabilities)	-	-
Loss before income tax	-	(2,806)
Income tax expense	-	-
Loss after tax from discontinued operation	-	(2,806)
Net cash inflow/(outflow) from operating activities	-	216
Net cash outflow from investing activities*	-	(1,242)
Net cash outflow from financing activities	-	(229)
Net decrease in cash generated by discontinued operations	-	(1,255)
Earnings per share		
Basic earnings per share from discontinued operations (cents)	-	(1.1)
Diluted earnings per share from discontinued operations (cents)	-	(1.1)

* 2024 includes total consideration paid to Harness Group ($0.3m (note 4(i)(II)) below) and the total payment made to SST Group in relation to the contingent consideration in relation of the acquisition of SST business.

II. Details of sale of sites

Consideration paid	-	(303)
Total disposal consideration	-	**(303)**
Net loss from write-off of fixed assets	-	(1,825)
Income tax expense on gain	-	-
Loss on sale after income tax	-	**(2,128)**

4 OPERATIONS - RESULTS FOR THE YEAR (CONTINUED)

(j) REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, its related practices and non-related audit firms:

	30 June 2025 **$**	30 June 2024 $
Assurance services		
Audit and review of the Group's financial reports	**300,000**	200,000
Other services		
Tax compliance services	**88,136**	79,975
Other tax services	**-**	15,000
	88,136	94,975
Total remuneration of Grant Thornton	**388,136**	294,975

5 OPERATIONS - OPERATING ASSETS AND LIABILITIES

(a) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank, cash in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, net of outstanding bank overdrafts. Cash balances reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year.

	2025 **$'000**	2024 $'000
Cash at bank	**5,019**	2,568
Restricted cash and cash equivalents#	**2,118**	2,050
	7,137	**4,618**

Restricted cash of $2.1m (2024: $2.1m) is required to be held under the Westpac facility as part of security for the issuance of bank guarantees.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 8(f).

5 OPERATIONS - OPERATING ASSETS AND LIABILITIES (CONTINUED)

(a) CASH AND CASH EQUIVALENTS (CONTINUED)

Reconciliation of cash flows from operating activities

	2025 $'000	2024 $'000
Cash flows from operating activities		
Profit/ (loss) for the year	**3,735**	1,948
Adjustments for:		
Depreciation & amortisation	**3,667**	3,565
(Gain)/ loss on fixed assets disposal	**4**	2,020
Share based payments	**907**	290
Interest expense on contingent consideration	**-**	22
Adjusted operating profit/(loss) before changes in working capital and provisions	**8,313**	7,845
Change in trade and other receivables	**(1,781)**	276
Change in contract assets	**110**	5,526
Change in trade and other payables	**(346)**	(6,963)
Change in deferred tax asset	**(233)**	(581)
Change in contract liabilities	**939**	(3,470)
Change in provisions and employee benefits	**(502)**	(626)
Net cash from operating activities	**6,500**	2,007

(b) TRADE AND OTHER RECEIVABLES

	2025 $'000	2024 $'000
Current		
Trade receivables	**14,561**	13,707
Allowance for expected credit losses[1]	**(130)**	(130)
Other receivables	**58**	89
	14,489	13,666
Contract assets[2]	**2,932**	3,041
Allowance for expected credit loss[1]	**-**	-
	2,932	3,041

[1] The Group has applied the expected credit loss model to trade receivables and contract assets. An amount of $0.1m (FY2024: $0.1m) has been recognised as an allowance for expected credit losses. As part of the assessment of recoverability of contract assets, the Group has allowed for an expected credit loss of $0.0m on significant projects in FY2025 (FY2024: $0.0m).

[2] Movements in contract assets during the financial year relate primarily to revenue recognised on engineering contracts with customers in excess of billings raised during the financial year.

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss allowance for all trade receivables and contract assets.

5 OPERATIONS - OPERATING ASSETS AND LIABILITIES (CONTINUED)

(c) TRADE AND OTHER PAYABLES

	2025 $'000	2024 $'000
Current		
Trade payables	**2,564**	2,973
GST payable	**518**	614
Accrued expenses	**3,803**	2,995
Sundry creditors	**466**	1,101
	7,351	7,683

Trade and other payables are recognised initially at fair value less transaction costs and subsequently at amortised cost using the effective interest method.

The Group's exposure to currency and liquidity risk related to Trade and other payables is disclosed in note 8(d).

(d) CONTRACT LIABILITIES

	2025 $'000	2024 $'000
Contract liabilities	**3,491**	2,552

The contract liabilities primarily relate to consideration received from customers in advance of providing goods or services, or unearned revenue. These liabilities will be recognised as revenue when the services are performed. Movements in contract liabilities during the financial year relates primarily to the procurement and subsequent invoicing of long lead items on several engineering contracts.

(e) EMPLOYEE BENEFITS

	2025			2024		
	Current	**Non-current**	**Total**	Current	Non-current	Total
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Leave obligations	**3,817**	**542**	**4,359**	3,990	483	4,473

Annual leave, long service leave and time off in lieu

The liability for annual leave, long service leave and time off in lieu is measured as the present value of expected future payments (including on-costs) for the service provided by employees up to the reporting date. Expected future payments are discounted using the yield on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

5 OPERATIONS - OPERATING ASSETS AND LIABILITIES (CONTINUED)

(f) PROVISIONS

	2025			2024		
	Current	**Non-current**	**Total**	Current	Non-current	Total
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Bonus provision	**150**	**-**	**150**	507	-	507
Make good provision	**52**	**326**	**378**	293	206	499
Service warranties	**267**	**-**	**267**	177	-	177
Total	**469**	**326**	**795**	977	206	1,183

The movement in provisions for the period is shown below:

	Bonus provision	**Make good provision**	**Service warranties**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Carrying amount at 1 July 2024	507	499	177	1,183
Credited to profit and loss				
- additional provisions recognised	271	108	267	646
- unused amounts reversed	(303)	(229)	(176)	(708)
Amounts used during the year	(325)		(1)	(326)
Carrying amount at 30 June 2025	**150**	**378**	**267**	**795**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Warranty

A provision for warranty is recognised at the commencement of a project based on risks identified during the planning stage. The warranty provision accumulates over the life of the project up to practical completion/commencement of defects liability period at which point it is fully recognized. During the defects liability period projects are periodically reviewed to ensure provisions remain sufficient taking into account historical warranty expenses and contract terms to ensure the provision is appropriate.

Bonus Provision

The Group recognised a liability and an expense for bonuses based on a formula that takes into consideration incentive (or other bonus) arrangements in place relative to the anticipated performance relative to the criteria in those arrangements. The Group recognised a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Make good provision

A make good obligation is recognised when the Group leases premises, and the lease contract contains an obligation to return the premises to its pre-lease condition at the conclusion of the lease. The provisions are calculated on a $/sqm basis, are reviewed for appropriateness periodically, and recorded at the present value of the estimated future cost to make good the premises.

5 OPERATIONS - OPERATING ASSETS AND LIABILITIES (CONTINUED)

(g) BORROWINGS

	2025			2024		
	Current	**Non-current**	**Total**	Current	Non-current	Total
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Secured						
Bank loans	**437**	**3,592**	**4,029**	401	4,033	4,434
Equipment loans	**383**	**161**	**544**	459	269	728
Invoice financing facility	**-**	**-**	**-**	1,186	-	1,186
	820	**3,753**	**4,573**	2,046	4,302	6,348
Unsecured						
Insurance premium financing	**308**	**-**	**308**	288	-	288
Total borrowings	**1,128**	**3,753**	**4,881**	2,334	4,302	6,636

Movements in borrowings

The movement in borrowings for the period is shown below:

	Bank loans	**Equipment finance loan**	**Insurance premium funding**	**Invoice financing facility**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount as at 1 July 2024	4,434	728	288	1,186	6,636
Additional borrowings	-	949	1,236	-	2,185
Repayments during the year	(405)	(1,133)	(1,216)	(1,186)	(3,940)
Carrying amount as at 30 June 2025	**4,029**	**544**	**308**	**-**	**4,881**

5 OPERATIONS - OPERATING ASSETS AND LIABILITIES (CONTINUED)

(g) BORROWINGS (CONTINUED)

Secured liabilities and assets pledged as security

The Group's financing facilities are mainly from Westpac Banking Corporation. The facility and usage as at 30 June 2025 was as follows:

FACILITY NAME/TYPE	Limit $'000	Amount used $'000	Amount available $'000
Bank guarantee facility	5,000	3,102	1,898
Business overdraft	4,000	-	4,000
Total flexible-option facility*	9,000	3,102	5,898
SME loan scheme	5,000	5,000	-
Business credit card facility	300	299	1
Equipment finances revolving facility	1,500	453	1,047

* The Flexible Options Facility totals up to $9.0m and can be varied to suit the Group's working capital requirements.

Covenants imposed by Westpac include a Financial Debt to Adjusted EBITDA ratio to be less than 3.50 times (unchanged) and an Adjusted Equity Ratio greater than or equal to 40% (unchanged). Financial debt is financial liabilities excluding IFRS 16 Lease Liabilities specific to property leases. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, minus lease payment which are no longer accounted for as a lease expense due to IFRS 16 application. Adjusted equity ratio means the percentage calculated by dividing the sum of total shareholder funds plus/minus net intercompany loans, by total assets excluding IFRS 16 Right to Use Assets specific to property leases.

The Group has passed both covenants as of 30 June 2025 under its finance agreement. Based on current forecasts and available information, there are no indicators that the Group will be unable to comply with its financial covenants when next tested at 31 December 2025.

COVENANT	Measurement	Results	
		2025	2024
Financial Debt to Adjusted EBITDA	Less than 3.5 times	0.91 times	1.83 times
Adjusted Equity to Assets Ratio	Greater than or equal 40%	52.3%	45.1%

Bank guarantees and contract performance bonds

The Group utilises bank guarantees as security for its obligations under premises leases and to guarantee its performance and warranty obligations under certain construction, procurement and engineering services contracts.

Other facilities

The Group uses short term finance to fund expenses such as its insurance premiums and software licenses so that the cash flow for these annual expenditures is spread over the year. These loans are not secured.

5 OPERATIONS - OPERATING ASSETS AND LIABILITIES (CONTINUED)

(g) BORROWINGS (CONTINUED)

Net cash / (debt) reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	2025 $'000	2024 $'000
Net cash / (debt)		
Cash and cash equivalents	**7,137**	4,618
Borrowings – repayable within one year	**(1,128)**	(2,334)
Borrowings – repayable after one year	**(3,753)**	(4,302)
	2,256	(2,018)
Cash and cash equivalents	**7,137**	4,618
Gross debt – fixed interest rates	**(852)**	(1,016)
Gross debt – variable interest rates	**(4,029)**	(5,620)
	2,256	(2,018)

6 NON-CURRENT ASSETS

(a) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant and equipment $'000	Motor vehicles $'000	Total $'000
As at 1 July 2023			
Cost	16,220	1,702	17,922
Accumulated depreciation	(14,957)	(1,489)	(16,446)
Net book amount	1,263	213	1,476
Year Ended 30 June 2024			
Opening net book amount	1,263	213	1,476
Additions	166	40	206
Disposals	(145)	-	(145)
Depreciation charge	(370)	(98)	(468)
Closing net book amount	914	155	1,069
As at 30 June 2024			
Cost	16,241	1,742	17,983
Accumulated depreciation	(15,327)	(1,587)	(16,914)
Net book amount	914	155	1,069
Year Ended 30 June 2025			
Opening net book amount	**914**	**155**	**1,069**
Additions	**280**	**185**	**465**
Depreciation charge	**(385)**	**(62)**	**(447)**
Closing net book amount	**809**	**278**	**1,087**
As at 30 June 2025			
Cost	**16,521**	**1,926**	**18,447**
Accumulated depreciation	**(15,712)**	**(1,648)**	**(17,360)**
Net book amount	**809**	**278**	**1,087**

6 NON-CURRENT ASSETS (CONTINUED)

(a) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss from derecognising the assets (the difference between the proceeds of disposal and the carrying amount of the asset) is included in "Other income" in the period the asset is recognised.

Depreciation and useful lives

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives for the current and comparative periods are as follows:

Plant and equipment 3 - 10 years

Motor vehicles 4 - 5 years

(b) LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2025 $'000	2024 $'000
Right-of-use assets		
Properties	**3,633**	4,528
Equipment	**416**	639
	4,049	5,167
Lease liabilities		
Current	**2,472**	2,444
Non-current	**2,217**	3,558
	4,689	6,002

6 NON-CURRENT ASSETS (CONTINUED)

(b) LEASES (CONTINUED)

This section sets out a maturity analysis of leases, showing the undiscounted payments to be paid after the reporting period:

	2025		2024	
	Properties $'000	**Equipment $'000**	Properties $'000	Equipment $'000
Not later than one year	**2,315**	**345**	2,284	395
Later than one year and not later than 5 years	**2,035**	**345**	3,280	473
Later than 5 years	**-**	**-**	-	-
	4,350	**690**	5,564	868

(ii) Amounts recognised in the statement of profit or loss

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2025 $'000	2024 $'000
Depreciation charge of right-of-use assets		
Properties	**2,017**	1,943
Equipment	**448**	345
	2,465	2,288
Interest expense (included in finance cost)	**272**	311
Expense relating to short-term leases (included in cost of providing services and other administrative expenses)	**204**	290

The total cash outflow for leases in 2025 was $2.7m (2024: $2.9m).

6 NON-CURRENT ASSETS (CONTINUED)

(b) LEASES (CONTINUED)

(iii) Right-of-use assets movement

	Properties $'000	Equipment $'000	Total $'000
As at 01 July 2023			
Cost	13,119	1,235	14,354
Accumulated depreciation	(8,857)	(647)	(9,504)
Impairment	(51)	-	(51)
Net book amount	4,211	588	4,799
Year Ended 30 June 2024			
Opening net book amount	4,211	588	4,799
Additions	2,835	466	3,301
Disposals	(575)	(70)	(645)
Amortisation charge	(1,943)	(345)	(2,288)
Closing net book amount	4,528	639	5,167
As at 30 June 2024			
Cost	15,328	1,631	16,959
Accumulated depreciation	(10,800)	(992)	(11,792)
Net book amount	4,528	639	5,167
Year Ended 30 June 2025			
Opening net book amount	**4,528**	**639**	**5,167**
Additions	**1,122**	**225**	**1,347**
Amortisation charge	**(2,017)**	**(448)**	**(2,465)**
Closing net book amount	**3,633**	**416**	**4,049**
As at 30 June 2025			
Cost	**16,450**	**1,856**	**18,306**
Accumulated depreciation	**(12,817)**	**(1,440)**	**(14,257)**
Net book amount	**3,633**	**416**	**4,049**

6 NON-CURRENT ASSETS (CONTINUED)

(b) LEASES (CONTINUED)

(iv) The Group's leasing activities and how these are accounted for

The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 5 years but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

(v) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

6 NON-CURRENT ASSETS (CONTINUED)

(c) INTANGIBLE ASSETS

	Goodwill	Application Software	Development Costs	Brand Names	Customer Contracts	Total
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2023						
Cost	10,634	1,015	565	369	5,454	18,037
Accumulated amortisation	-	(988)	(102)	(76)	(2,895)	(4,061)
Impairment*	(1,410)	-	-	-	-	(1,410)
Net book amount	9,224	27	463	293	2,559	12,566
Year ended 30 June 2024						
Opening net book amount	9,224	27	463	293	2,559	12,566
Additions	-	-	305	-	-	305
Disposals*	(1,266)	-	(28)	(250)	(273)	(1,817)
Amortisation charge	-	(24)	(99)	(18)	(646)	(787)
Closing net book amount	7,958	3	641	25	1,640	10,267
As at 30 June 2024						
Cost	7,958	1,015	818	26	4,875	14,692
Accumulated amortisation	-	(1,012)	(177)	(1)	(3,235)	(4,425)
Net Book Amount	7,958	3	641	25	1,640	10,267
Year ended 30 June 2025						
Opening net book amount	**7,958**	**3**	**641**	**25**	**1,640**	**10,267**
Additions	**-**	**82**	**207**	**5**	**-**	**294**
Amortisation charge	**-**	**(28)**	**(241)**	**(12)**	**(477)**	**(758)**
Closing net book amount	**7,958**	**57**	**607**	**18**	**1,163**	**9,803**
As at 30 June 2025						
Cost	**7,958**	**1,097**	**1,025**	**31**	**4,875**	**14,986**
Accumulated amortisation	**-**	**(1,040)**	**(418)**	**(13)**	**(3,712)**	**(5,183)**
Net Book Amount	**7,958**	**57**	**607**	**18**	**1,163**	**9,803**

*Related to discontinued operations.

6 NON-CURRENT ASSETS (CONTINUED)

(c) INTANGIBLE ASSETS (CONTINUED)

Amortisation method and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Application software: 4-6 years
- Development costs: 3 years
- Customer contracts: 3-10 years
- Brand names: 1-10 years

Goodwill

Goodwill that is acquired in a business combination is initially measured at cost. Goodwill is measured at the cost of the acquisition less the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. Refer to note 8(j) for goodwill impairment assessment and input judgements.

Application software

This include externally acquired application software and is initially recognised at cost. Following initial recognition, software and systems are carried at cost less amortisation and any impairment losses. Amortisation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

Software-as-a-Service (SaaS) arrangements are service contracts which provide the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing licence fees, are recognised as an expense in profit or loss. Some of these costs incurred are for the development of software code that enhances or creates additional capability to existing systems and are recognised as an intangible asset when the recognition criteria are met.

Development costs

This includes the cost of internally developed software. The expenditure capitalised includes the direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Costs associated with maintaining software programs are recognised as an expense as incurred. Cost of development is recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available
- the expenditure attributable to the software during its development can be reliably measured
- Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads

Currently, the Group recognizes the development costs related to StacksOn software solution as intangible assets and amortised from the point at which the asset is ready for use over their estimated useful lives. In determining the useful life of the software, the Group considers following factors with regard to the respective module of the software:

- Expected period that the software is able to generate economic benefits to the Group
- Period it takes to change the core characteristics of the software and the current version becomes obsolete

6 NON-CURRENT ASSETS (CONTINUED)

(c) INTANGIBLE ASSETS (CONTINUED)

Customer contracts

Customer contracts also includes customer relationships and non-compete agreement. The customer contracts were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis based on the timing of projected cash flows of the contracts over their estimated useful lives.

Brand names

Brand names acquired as part of a business combination are recognised separately from goodwill. Brand names are carried at their fair value at the date of acquisition less accumulated amortisation and any impairment losses. Where brand names' useful lives are assessed as indefinite, the brand names are not amortised but are tested for impairment annually, or more frequently whenever there is an indication that it might be impaired. Where brand names' useful lives are assessed as finite, the brand names are amortised over their estimated useful lives.

7 CAPITAL AND RESERVES

(a) SHARE CAPITAL - MOVEMENTS IN ORDINARY SHARE CAPITAL

	Shares '000	Issue price	$'000
Balance 30 June 2024	288,678		27,990
Opening balance 1 July 2024	**288,678**		**27,990**
Issue of new ordinary shares	**3,492**	**0.09**	**299**
Balance 30 June 2025	**292,170**		**28,289**

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally regarding the Group's residual assets.

Where share capital recognised as equity is repurchased, the amount of consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity.

The following total transactions cost was recognised within equity as a deduction from the share capital.

	2025 $'000	2024 $'000
Cash-settled payments	**-**	199
Equity-settled payments (Broker Options)	**-**	111
	-	310

(b) RESERVES - MOVEMENTS IN RESERVES

	Share based payments reserve $'000	Foreign currency reserve $'000	Total $'000
Opening balance 1 July 2024	1,111	(392)	719
Amount expensed during the year	907	-	907
Performance rights exercised	(299)		(299)
Foreign Currency Translation Reserve movement	-	35	35
Closing balance 30 June 2025	**1,719**	**(357)**	**1,362**

7 CAPITAL AND RESERVES (CONTINUED)

(c) DIVIDENDS

Dividends are recognised as a liability in the period in which they are declared.

Declared and paid during the year

In the current period there were no dividends declared or paid.

Subsequent to 30 June 2025, a dividend of 0.1 cents per share in the amount of $0.29m, including dividends paid to shares anticipated to be issued in respect of vested and exercisable performance rights, was proposed by the Directors of the Company. The dividend has not been provided for in the financial statements.

Below table provides information on the franking account balance. FY 25 balance is not updated with the imputation debits arising from the dividends declared after the reporting period. The Group believes current balance in franking account is sufficient to fully frank 2025 final dividend.

Franking credits	2025 $'000	2024 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2024 – 30%)	5,680	5,680

8 FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Group has exposure to following key financial risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

(a) FINANCIAL INSTRUMENTS

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sale of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and term deposits. Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(b) RISK MANAGEMENT FRAMEWORK

The Board of Directors has delegated to the Audit and Risk Committee the responsibility to exercise oversight of how management monitors and reviews the adequacy of the risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(c) CREDIT RISK

Credit risk is the risk of financial loss to the Group if a contracting entity fails to meet its obligations under a financial instrument or customer contract that will result in a financial loss to the Group. The Group is exposed to credit risk from its operating activities (principally from customer receivables and financial guarantees granted to customers) and financing activities including deposits with financial institutions.

8 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) CREDIT RISK (CONTINUED)

Exposure to credit risk

The carrying amount of the Group's assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the end of the reporting period was:

	2025 $'000	2024 $'000
Trade receivables (net of allowance for impairment)	**14,489**	13,666
Contract assets (net of allowance for impairment)	**2,932**	3,041
	17,421	16,707
Cash and cash equivalents	**7,137**	4,618
	24,558	21,325

Credit risks related to trade receivables and contract assets

The Group trades with recognised, creditworthy third parties such as large resources and energy operations companies, government bodies, large contracting companies or other customers whom the Group has established trading history with. Customer credit risk is managed based on established policies, procedures and controls relating to customer credit risk management. This includes:

- *for new customers for significant work* - performing a credit worthiness assessment before credit terms are allowed and including the performance of credit checks if required;
- *prior to signing a contract that is large for that customer* - credit worthiness is assessed as part of the process of submitting the bid and negotiating terms and conditions.

In addition, the recoverability of trade receivable balances is regularly monitored as part of the monthly commercial and performance reviews of each major project by senior management to ensure that the trade receivables and the carrying value of each project's work in progress is recoverable. In extreme cases, the Group may consider ceasing work until any aged outstanding receivables or disputed amounts are paid or resolved.

The Group conducts an impairment analysis at each reporting date based on a detailed review of all trade receivables and un-invoiced work in progress to determine the likelihood of any credit losses. A provision is made based on days past due and history with the associated customers and the market conditions they face. The provision calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

A receivable is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Evidence that a receivable is credit-impaired includes observable data about significant financial difficulty of the debtor or a breach of contract, such as a default or past due event.

Set out below is the information on the credit risk exposure at 30 June 2025 on the Group's trade receivables and contract assets, for which lifetime expected credit losses are recognised, using a provision calculation as specified above.

The maximum exposure to credit risk for trade and other receivables, contract assets (excluding loss allowances) by geographic region is as follows.

	2025 $'000	2024 $'000
Australia	**16,722**	15,856
New Zealand	**699**	851
	17,421	16,707

8 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) CREDIT RISK (CONTINUED)

Details of the Group's most significant customer receivable balances at 30 June 2025 are shown in the following table. The most significant single customer as at 30 June 2025 is a large, tier 1 resources company.

	Carrying amount 2025 $'000	**% of trade receivables 2025**	Carrying amount 2024 $'000	% of trade receivables 2024
Most significant single customer	**1,778**	**12%**	1,429	10%
Top ten most significant customers	**6,123**	**42%**	8,113	59%

Impairment losses

The movement in the loss allowance in respect of trade receivables and contract assets at the end of the reporting period was:

Movement in allowance for impairment	**2025 $'000**	2024 $'000
Trade receivable	**130**	130
Contract assets	**-**	-
	130	130

Credit risks related to financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's corporate finance team. Investments of surplus funds are made with the Group's bankers who have a credit rating by Standard & Poor's rating agency of AA- or higher.

8 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages this risk by ensuring that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Group ensures that it has enough cash available on demand to meet expected operational commitments in the short-term including the servicing of financial obligations. The Group regularly forecasts cash flows to assess future liquidity requirements with ample time to hold discussions with the Group's bankers, if such discussions should be required.

Followings are the contractual maturities of the Group's liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	More than 1 year $'000
Balance as at 30 June 2025				
Financial liabilities				
Trade payables	**7,351**	**7,351**	**7,351**	**-**
Borrowings	**4,881**	**4,881**	**1,128**	**3,753**
Lease liabilities	**4,689**	**5,040**	**2,660**	**2,380**
	16,921	**17,272**	**11,139**	**6,133**
Balance as at 30 June 2024				
Financial liabilities				
Trade payables	7,683	7,683	7,683	-
Borrowings	6,636	6,636	2,334	4,302
Lease liabilities	6,002	6,432	2,679	3,753
	20,321	20,751	12,696	8,055

8 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) LIQUIDITY RISK (CONTINUED)

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2025 $'000	2024 $'000
Bank overdraft	**4,000**	4,000
Bank guarantee	**1,898**	939
Invoice financing facility	**-**	3,814
	5,898	8,753

As at 30 June 2025, the Group had utilised a total of $3.1m of the $9.0m limit of its Flexible-Option Facility with Westpac and $0.5m of the $1.5m limit of its equipment finance facility. During the reporting period the Group had amended certain portions of facilities with Westpac and cancelled the Invoice financing facility. As at 30 June 2024, the Group had utilised a total of $1.2m of the $5.0m limit of its invoice financing facility.

(e) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The market risk is not significant for the Group.

(f) INTEREST RATE RISK

Interest rate risk is managed by ensuring that total interest rate cover is well in excess of minimum bank covenant requirements, to ensure the Group retains a high level of flexibility to absorb any adverse movements in interest rates.

Profile

As at the reporting date, interest rate profile of the Group's interest-bearing financial instruments was as follows:

	2025 $'000	2024 $'000
Variable rate instruments		
Financial assets	**7,137**	4,618
Financial liabilities	**(4,029)**	(5,620)
	3,108	(1,002)
Fixed rate instruments		
Financial liabilities	**(853)**	(1,016)

8 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) INTEREST RATE RISK (CONTINUED)

Cash flow sensitivity analysis for variable rate instruments

A change of 200 basis points in interest rates would have increased/(decreased) equity and profit by the amounts shown below. A sensitivity of 2% (2024: 2%) has been selected as this is considered reasonably possible. The Directors cannot nor do they seek to predict movements in interest rates. These sensitivities are shown for illustrative purposes only.

	2025 $'000	2024 $'000
Effect on profit before tax - increase/(decrease)		
If interest rates were 2% higher (2024: 2%)	**87**	89
If interest rates were 2% lower (2024: 2%)	**(87)**	(89)
Effect on profit after tax - increase/(decrease)		
If interest rates were 2% higher (2024: 2%)	**61**	62
If interest rates were 2% lower (2024: 2%)	**(61)**	(62)
Effect on shareholders' equity - increase/(decrease)		
If interest rates were 2% higher (2024: 2%)	**61**	62
If interest rates were 2% lower (2024: 2%)	**(61)**	(62)

(g) FOREIGN EXCHANGE RISK

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities that are denominated in or related to a currency that is not the Group's functional currency. The Group's most significant foreign exchange exposure relates to the New Zealand Dollar. However, this risk is considered to be low given the low level of the Company's cross border transactions between Australia and New Zealand and the structuring of intercompany loans. Contracts for work outside of Australia and New Zealand is usually denominated in Australian Dollars or New Zealand Dollars.

(h) FAIR VALUE VERSUS CARRYING AMOUNTS

The fair values and carrying amounts of financial assets and liabilities shown in the balance sheet were not materially different as of 30 June 2025 due to the short-term nature of these financial assets and liabilities.

(i) CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board of Directors determines whether dividends will be declared and paid to ordinary shareholders.

The Group aims to provide a balance between share price / capital growth and income in the form of dividends. The ultimate dividend paid is determined by the board after stringent consideration of general business and financial conditions, working capital requirements, taxation position, and future capital expenditure requirements.

As at 30 June 2025 the Group had a Flexible-Option working capital and bank guarantee facility of $9.0m (refer to note 5(g) for details of this facility). The Group monitors its working capital position on a monthly basis and forecasts its cash flows on a weekly basis to ensure that adequate levels of liquidity are always maintained.

The Group also has in place an equipment lease facility with Westpac of $1.5m (currently utilised $0.5m) used to fund equipment related capital expenditure.

The financial statements have been prepared on a going concern basis, which contemplates that the Group will continue to meet its commitments, realise its assets and settle its liabilities in the normal course of business.

8 FINANCIAL RISK MANAGEMENT(CONTINUED)

(i) CAPITAL MANAGEMENT (CONTINUED)

Banking Facilities

The Group operates its business activities through careful management of its cash reserves, operating cash flows and a "Flexible-Option" finance facility provided by Westpac. At 30 June 2025, this facility had a limit of $9.0m split between bank guarantee facility ($5.0m) and overdraft facility ($4.0m) to assist with short-term working capital requirements. The Group also had an SME loan of $5m and a revolving equipment finance facility with a limit of $1.5m.

Available headroom in the overdraft facility at 30 June 2025 was $4.0m. Further details on the bank facilities, including applicable financial covenants can be found in note 5(g).

The nature of the Group's work also requires that bank guarantees or bonds are issued in relation to tenant leases and certain projects, for example during the construction phase or in respect of warranty periods or defect liability periods for equipment or facilities. At 30 June 2025, the Group had used $3.1m in bank guarantees facility limit.

The Group has prepared a detailed cash flow forecast for the next twelve months and this shows an improvement in operating cash flows. The Group continues to have a strong billing and cash collection process for contract assets and debtors, with minimal debts being written off during the year and the aging profile of contract assets and debtors better than prior periods.

Refer to note 2 for more detailed discussion of basis of preparation.

(j) IMPAIRMENT

Financial assets

The Group has two types of financial assets, trade receivables and contract assets, that are subject to impairment assessment using the expected credit loss model.

Non-financial assets

Testing for impairment

The Group tests non-financial assets for impairment:

- At least annually for indefinite life intangible assets and goodwill; and
- Where there is an indication that the asset may be impaired (which is assessed at least each reporting period); or
- Where there is an indication that previously recognised impairment (on assets other than goodwill) may have changed.

If any such indication exists then the asset's recoverable amount is estimated, being the greater of its value in use and its fair value less costs to sell.

Impairment tests for Goodwill

Cash Generating Units (CGUs) and goodwill allocation

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill. Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. The identified Cash Generating Unit's ("CGU") for the Group are the Training Services and Engineering Services CGU's with goodwill allocated as follows:

Goodwill allocated to CGUs - Pre impairment	**2025 '000**	2024 '000
Engineering Services	**4,130**	4,130
Training Services	**3,828**	3,828
	7,958	7,958

8 FINANCIAL RISK MANAGEMENT (CONTINUED)

(J) IMPAIRMENT (CONTINUED)

Calculation of recoverable amount – value in use

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk. For the 2025 and 2024 reporting periods, the recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows using a terminal growth rate determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate (provided by an independent third-party advisory firm) reflecting current market assessments of the time value of money and risks specific to the segment. The recoverable amounts calculated together with the growth and discount rates used in the estimation are set out below:

Recoverable amount of each operating segment	**2025 '000**	2024 '000
Engineering Services	**35,080**	32,941
Training Services	**13,806**	8,698
	48,886	41,639

Value in use key assumptions	**Terminal growth rates**		**Discount rates (pre-tax)**	
	2025	2024	**2025**	2024
Engineering Services	**2.0**	2.0	**16.9**	18.4
Training Services	**2.0**	2.0	**16.2**	17.4

8 FINANCIAL RISK MANAGEMENT (CONTINUED)

(j) IMPAIRMENT (CONTINUED)

Growth rates

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Discount rates

The pre-tax discount rates are based on the weighted average cost of capital determined by prevailing or benchmarked market inputs, risk adjusted where necessary, and other assumptions are determined with reference to external sources of information and use consistent, conservative estimates for variables such as terminal cash flow multiples. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amounts to fall below carrying values.

The recoverable amount of the goodwill is based on a Value-In-Use calculation with respect to the CGU and was determined by applying a five-year net present value calculation of projected cash flows and a terminal value at the end of the fifth year. The calculation of the Value-In-Use was determined having regard to the following key assumptions:

- Pre-tax discount rates of 16.9% (2024: 18.4%) for Engineering CGU and 16.2% (2024: 17.4%) for Training CGU applied to the cash flows
- Expected future profits for the first year based on the Board approved budget for FY2026
- Revenue over the five-year forecast based on expected sector revenue growth rates of 3% within the Engineering CGU and 5% within the Training CGU
- EBITDA margins for the five-year forecast of between 8.8%-9% within the Engineering CGU and 22.6%-25.9% within the Training CGU
- Terminal growth rate of 2% applied beyond FY30

Engineering Services CGU

The estimated recoverable amount of the Engineering CGU exceeded its carrying amount by approximately $21.5m (2024: $16.7m). The increase in the recoverable amount can be attributed to changes in the weighted average cost of capital of 16.9% (2024: 18.4%). Management has identified that a significant change would have to occur in all key assumptions to result in the carrying amount exceeding the recoverable amount.

Training CGU

The estimated recoverable amount of the Training CGU exceeded its carrying amount by approximately $8.7m (2024: $4.8m). The increase in the recoverable amount can be attributed to increased earnings achieved in FY25 due to improved operational performance and the reduction in the weighted average cost of capital of 16.9% (2024: 18.4%).

Management has identified that a significant change would have to occur in all key assumptions to result in the carrying amount exceeding the recoverable amount as such no impairment was recognised for FY2025. (2024: Nil).

The recoverable amount of net assets in the training CGU is considered high due to initial increases to FY26 figures (approx 10.8% growth in budget). Management has run sensitivity against these numbers with run rate growth figures of 2-5% and are comfortable that there are no indicators for impairment should our initial growth targets not be met.

A summary of the Goodwill allocated to each of Engineering services and Training services is presented below:

	Engineering Services '000	Training Services '000	Total '000
Opening balance 1 July 2024	4,130	3,828	7,958
Disposal due to discontinued operations	-	-	-
Closing balance 30 June 2025	**4,130**	**3,828**	**7,958**

9 CORPORATE AND GROUP

(a) GROUP ENTITIES

Parent and ultimate controlling entity

The Group's principal subsidiaries as at 30 June 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares or units that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

	Australian Company Business Number	**Country of incorporation**	**Ownership interest**	
			2025 %	2024 %
Verbrec Infrastructure Services Pty Ltd	ACN 058 047 046	Australia	**100**	100
OSD Asset Services Pty Ltd	ACN 117 904 024	Australia	**100**	100
PIPEd Pty Ltd	ACN 117 496 741	Australia	**100**	100
OSD Projects Pty Ltd	ACN 153 827 279	Australia	**100**	100
LogiCamms Holdings Pty Ltd	ACN 163 483 636	Australia	**100**	100
LogiCamms (WA) Pty Ltd	ACN 127 715 762	Australia	**100**	100
LogiCamms West Pty Ltd	ACN 059 540 831	Australia	**100**	100
LogiCamms Consultants Trust	ABN 69 868 703 406	Australia	**100**	100
Verbrec International Holdings Pty Ltd	ACN 078 567 049	Australia	**100**	100
Competency Training Pty Ltd	ACN 113 051 139	Australia	**100**	100
Verbrec Australia Pty Ltd	ACN 113 919 565	Australia	**100**	100
LogiCamms (CGH) Pty Ltd	ACN 103 283 638	Australia	**100**	100
LogiCamms (Central) Pty Ltd	ACN 008 190 207	Australia	**100**	100
LogiCamms Shared Services Pty Ltd	ACN 101 159 184	Australia	**100**	100
Petromod Pty Ltd	ACN 149 788 929	Australia	**100**	100
Energy Infrastructure Management Pty Ltd	ACN 100 946 389	Australia	**100**	100
StacksOn IP Pty Ltd	ACN 646 392 430	Australia	**100**	100
StacksOn Operations Pty Ltd	ACN 663 444 406	Australia	**100**	100
Verbrec New Zealand Limited		New Zealand	**100**	100
Independent Technology Holdings Limited		New Zealand	**100**	100
ITL Engineering New Zealand Limited		New Zealand	**100**	100
ITL Limited		New Zealand	**100**	100
ITL Engineering Australia Pty Ltd		New Zealand	**100**	100
OSD Chile S.A. (dormant)		Chile	**100**	100

9 CORPORATE AND GROUP (CONTINUED)

(a) GROUP ENTITIES (CONTINUED)

Parent entity disclosures

The individual financial statements for the parent entity, Verbrec Limited, show the following aggregate amounts:

	2025 $'000	2024 $'000
Results of the parent entity		
Profit/ (loss) and comprehensive income for the year	**3,526**	2,549
Statement of financial position		
Current assets	**5,733**	6,688
Total assets	**29,991**	22,872
Current liabilities	**(2,753)**	(361)
Total liabilities	**(6,391)**	(3,705)
Net assets	**23,600**	19,167
Total equity of the parent entity comprising of:		
Share capital	**97,585**	97,286
Reserves	**1,719**	1,111
Retained earnings	**(75,704)**	(79,230)
	23,600	19,167

Tax consolidation

Verbrec Limited and its wholly owned Australian controlled entities elected to form a tax consolidation group with effect from 30 June 2019 and are therefore taxed as a single entity. Verbrec Limited is the head entity of the tax consolidated group.

The head entity, Verbrec, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer.

In addition to its own current and deferred tax amounts, Verbrec also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into tax sharing and tax funding agreements, under which the wholly owned entities fully compensate Verbrec for any current tax payable assumed and are compensated by Verbrec for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Verbrec under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

9 CORPORATE AND GROUP (CONTINUED)

(b) RELATED PARTIES

Key Management Personnel compensation

The Key Management Personnel compensation included in 'Other Operating Expenses' (see note 4(d)) is as follows:

	2025 **$**	2024 $
Short-term employee benefits	**1,700,012**	1,700,095
Other long-term employment benefits	**(10,112)**	(18,104)
Post-employment benefits	**113,670**	107,611
Termination benefits	**-**	45,914
Non-monetary benefits	**8,598**	8,451
STI Cash Bonus	**135,901**	-
Share-based payments	**562,238**	174,421
	2,510,307	2,018,388

Individual Director's and Executive's compensation disclosures

Information regarding individual Directors' and Executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report. Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Key Management Personnel and their related parties

No loans were made to Key Management Personnel and their related parties during the year. The Group has not advanced loans to key management persons or their related parties.

A total of 13.7m performance rights (refer to note 10) were granted to Key Management Personnel during FY24 of which 2.1m were exercised during the reporting period. No performance rights were granted during FY25.

The movement during the reporting year in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by Key Management Personnel is detailed in the Remuneration Report.

The terms and conditions of these transactions with Key Management Personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Non-Key Management Personnel disclosures

A total of 9.1m performance rights were granted to other members of the executive leadership team who are not classified at Key Management Personnel during FY24, of which 1.4m were exercised during the reporting period.

There were no other transactions with non-Key Management Personnel during the year that require disclosure.

Acquisition of shares from related parties

There were no other acquisitions of shares from related parties in the 2025 financial year (2024: 1,326,509).

Subsidiaries

There is a related party relationship between the parent, Verbrec Limited, and each of its subsidiaries listed in note 9(a).

10 SHARE-BASED PAYMENTS

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Verbrec Limited Rights Plan

A long-term incentive plan ("Verbrec Limited Rights Plan" or "VLRP") was approved by the Company's Shareholders at the Annual General Meeting held on 27 November 2023. The 2024 financial year was the first year the incentive was available to be offered to Key Management Personnel and Executive Leadership Team. Under the plan, participants are granted options which only vest if certain performance standards are met. Participants in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options are granted under the plan for no consideration and carry no dividend or voting rights.

Set out below is an overview of the VLRP.

Term

Each Right has a term of 15 years after vesting and if not exercised within that term, the Rights will be lapse.

Financial year	Tranche	Grant date	End of measurement period	Grant date value
FY24	1	26 March 2024	30 September 2028	$0.0856
FY24	2	26 March 2024	30 September 2028	$0.0856
FY24	3	26 March 2024	30 September 2028	$0.0856
FY24	4	26 March 2024	30 September 2028	$0.0854
FY24	5	26 March 2024	30 September 2028	$0.0764
FY24	6	26 March 2024	30 September 2028	$0.0856
FY24	7	26 March 2024	30 September 2028	$0.0856
FY24	8	26 March 2024	30 September 2028	$0.0856

Measurement period and testing

The measurement period for the Rights is the period 1 July 2023 to 30 September 2028. The testing of the vesting conditions will occur annually to determine what proportion of the total number of Rights has met the vesting criteria ("Vesting Test"), after the full-year audited results have been announced, being at 30 September after each year of the Measurement Period ("Testing Dates" or "Vesting Test Dates").

Service condition

Rights are subject to service condition, whereby the holder of the Right must remain employed by the company until vesting. If a Participant ceases to be an employee of the Group, then Performance Rights which are not vested will be forfeited, unless and to the extent otherwise determined by the Board in its discretion. Performance Rights that have vested at the termination of employment will continue to be exercisable by the employee for the remainder of the Term.

Gate

The Board may attach Gates to tranches of Performance Rights. A Gate is a condition that, if not fulfilled, will result in nil vesting of a tranche irrespective of performance in relation to the Vesting Conditions.

10 SHARE-BASED PAYMENTS (CONTINUED)

Verbrec Limited Rights Plan (continued)

Vesting conditions and Performance Rights

The Rights are subject to the following vesting conditions:

Tranche	Criteria name and vesting condition	Proportion of total number of Performance Rights	Market or non-market related
1	Restore Dividend to Shareholders: Distribute dividend to Shareholders	20%	Non-market related
2	Earnings per Share Growth ('EPS') Target – Base: EPS > = $0.0112*	10%	Non-market related
3	Earnings per Share Growth ('EPS') Target – Stretch: EPS > = $0.0135*	15%	Non-market related
4	Total Shareholder Return Growth Target - Base: Verbrec Share Price at 10-Day VWAP after publication of Annual Report > = $0.15	10%	Market related
5	Total Shareholder Return Growth Target - Stretch: Verbrec Share Price at 10-Day VWAP after publication of Annual Report > = $0.19	15%	Market related
6	Balance Sheet Repair: Debt to Equity Ratio < 1.15	10%	Non-market related
7	Revenue Growth Target: Revenue > $130 million	10%	Non-market related
8	Renewable Sector Target: Renewables Projects > 15% Revenue	10%	Non-market related

* Earnings per Share/ EPS will be calculated in accordance with Australian Accounting Standards, save for:

a. EPS shall be adjusted to remove acquisition costs and proceeds attributable to divestment of assets from profit or loss attributable to ordinary shareholders.

b. The total shares outstanding utilised in the calculation being set at the base total Shares outstanding at the commencement of the Measurement Period, being 221,476,501 plus any shares issued under an employee incentive scheme.

Vesting of Rights

The vesting conditions must be satisfied on or before the final Testing Date otherwise the Rights lapse, unless otherwise determined by the Board in writing to the Participant and in accordance with the rules specified in the VLRP.

Exercise Price

The Exercise Price for Rights is nil.

10 SHARE-BASED PAYMENTS (CONTINUED)

Pricing model and volatility

The Monte Carlo Simulation Methodology (MCSM), which utilises the Binomial Option Pricing Model, is used to estimate the fair value of the rights, the key inputs used to determine the hypothetical price path and present value of any vested ordinary shares in the MCSM is as follows:

Tranche	Underlying share price	Exercise price	Term	Risk-free rate	Dividend yield	Volatility (rounded)	VWAP hurdle
Tranche 1	$0.110	$nil	4.51 years	3.672%	Discrete annual $/ share was used (refer "Dividend yield" below)	65%	n/a
Tranche 2	$0.110	$nil	4.51 years	3.672%		65%	n/a
Tranche 3	$0.110	$nil	4.51 years	3.672%		65%	n/a
Tranche 4	$0.110	$nil	4.51 years	3.672%		65%	10-day VWAP >= $0.15
Tranche 5	$0.110	$nil	4.51 years	3.672%		65%	10-day VWAP >= $0.19
Tranche 6	$0.110	$nil	4.51 years	3.672%		65%	n/a
Tranche 7	$0.110	$nil	4.51 years	3.672%		74%	n/a
Tranche 8	$0.110	$nil	4.51 years	3.672%		74%	n/a

In accordance with AASB 2 paragraph B22, Volatility was determined to be the annualised standard deviation of the continuously compounded change in price of the Company's shares. For each Tranche, the volatility was calculated using the daily, weekly, and monthly share prices for a period prior to the Valuation Date and of equal duration to the term of each tranche (or as long as the shares have been publicly traded). We also considered the volatility over difference calculation periods (from 6-months to 60-months) to determine an appropriate go-forward volatility.

Dividend yield

It is noted that there is no specific dividend yield or target $/ share forecasted by the management of the company. Hence, an estimate of future potential dividends was made by considering:

- examining the Company's historic financial information when they did pay dividends
- comparing the new and old dividend policy of the Company
- integrating management's estimated probability of when the Company will return to paying dividends

10 SHARE-BASED PAYMENTS (CONTINUED)

Dividend yield (continued)

Set out below are the assumptions made in forecasting dividends:

Financial year	Years from Grant Date *(from company)*	Probability of return to dividends	Cumulative probability	Net income ($m)* *(if paying dividends)*	Payout ratio#	Forecast dividends ($m) *(probability adjusted)*	Shares Outstanding *(at Grant Date)*	Forecast dividend ($/ share) *(probability adjusted)*
FY24	0.26 years	0%	0%	7.25	55%	0.000	288.68	0.000
FY25	1.26 years	15%	15%	7.25	55%	0.598	288.68	0.002
FY26	2.26 years	25%	40%	7.25	55%	1.595	288.68	0.006
FY27	3.26 years	35%	75%	7.25	55%	2.991	288.68	0.010
FY28	4.26 years	25%	100%	7.25	55%	3.988	288.68	0.014

*Net income based on the actual performance of the Company from FY2010 to FY2015 when last dividend was paid.
#Payout ratio based on the actual ratio from FY2010 to FY2015 when last dividend was paid.

The forecasted dividends were applied to the valuation of the Rights during each Monte Carlo Simulation by subtracting each forecast dividend paid at their respective financial year end to capture the theoretical reduction in the share price.

Performance Rights held by Key Management Personnel ("KMP") as at 30 June 2025 are as follows:

KMP	Grant date	Number granted	Exercised	Outstanding number of Rights
Mark Read	**26 March 2024**	7,769,278	-	7,769,278
Richard Aden	**26 March 2024**	3,198,054	1,119,319	2,078,735
Joel Voss	**26 March 2024**	1,250,000	518,000	962,000
Brad Love	**26 March 2024**	1,480,000	437,500	812,500

Broker Share Options

During FY24 the Group have granted 6,860,000 stock options ("the Broker Options") to Veritas Securities Limited ("Veritas") as part of the management fees payable on the services Veritas provided in connection with the Group's capital raise, in addition to the cash based payments made to Veritas.

Details of the Broker Options

Term: 2.18 years from the grant date

Grant date: 15 December 2023 (also the options Valuation Date)

Expiry date: 19 February 2026

Vesting conditions: No vesting conditions and therefore, exercisable immediately.

Exercise price: $0.090

10 SHARE-BASED PAYMENTS (CONTINUED)

Recognition of Broker Options

In accordance with AASB 2 para 2(a), Broker Options were identified as equity-settled share-based payments, in which the Group received services from Veritas. As the value of the services received from Veritas could not be reliably measured along with the corresponding increase in equity, Broker Options were valued by reference to the fair value of the equity instruments granted, using Black-Scholes Option Pricing (BSOP) methodology which utilises the Black-Scholes-Merton model. Accordingly, the Options were valued at $0.0161 per option using the following assumptions and factors:

Input	**Value**
Underlying share price	$0.065
Exercise price	$0.090
Term	2.18 years
Risk-free rate	3.794%
Dividends	Discrete annual $/ share Present value of $0.002/ share
Volatility	60.0%

Volatility

In accordance with AASB 2 paragraph B22, Volatility was determined to be the annualised standard deviation of the continuously compounded change in price of the Company's shares. For each Tranche, the volatility was calculated using the daily, weekly, and monthly share prices for a period prior to the Valuation Date and of equal duration to the term of each tranche (or as long as the shares have been publicly traded). We also considered the volatility over difference calculation periods (from 6-months to 60-months) to determine an appropriate go-forward volatility.

Total share-based payments expense recognized

	2025 $'000	2024 $'000
On Performance Rights	**907**	290
On Broker Options issued in relation to the capital raise	**-**	111
	907	401

The movement in share-based payments for the year is as follows:

	2025			2024		
Total share options	**VLRP**	Broker Options	**Total**	VLRP	Broker Options	Total
Opening balance	**22,812,332**	**6,860,000**	**29,672,332**	10,354,848	-	10,354,848
Granted	**-**	**-**	**-**	22,812,332	6,860,000	29,672,332
Forfeited	**(812,500)**	**-**	**(812,500)**	(10,354,848)		(10,354,848)
Exercised	**(3,492,319)**	**-**	**(3,492,319)**		-	-
Closing balance	**18,507,513**	**6,860,000**	**25,367,513**	22,812,332	6,860,000	29,672,332
Exercisable at the end of the year	**1,772,750**	**6,860,000**	**8,632,750**		6,860,000	6,860,000

11 UNRECOGNISED ITEMS

(a) SUBSEQUENT EVENTS

On 27 August 2025, the Directors of Verbrec Limited declared a final dividend on ordinary shares in respect of the financial year ended 30 June 2025. The total amount of the dividend is $0.29m, which represents a fully franked final dividend of0.1 cents per share. This dividend has not been provided for in the 30 June 2025 financial statements. There are no other material events subsequent to the balance date that management is aware of that require disclosure.

(b) CONTINGENT LIABILITIES

	2025 $'000	2024 $'000
Bank guarantees on issue	**3,102**	4,061

The Group did not have any other contingent liabilities as of 30 June 2025 (2024: $Nil).

12 DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, relief has been granted to all the controlled entities of Verbrec Limited from the Corporations Act 2001 (Cth) requirements for preparation, audit and publication of accounts.

As a condition of the Class Order, Verbrec and the controlled entities subject to the Class Order, entered into a deed of indemnity on 28 June 2019. The effect of the deed is that Verbrec has guaranteed to pay any deficiency in the event of winding up of these controlled entities. The controlled entities have also given a similar guarantee in the event that Verbrec is wound up.

(a) HOLDING ENTITY

Name of the entity	Australian Company Number
Verbrec Limited	ACN 127 897 689

(b) GROUP ENTITIES

The companies in note 9(a) represent a 'closed group' except for New Zealand and Chilean entities for the purposes of the Class Order and, as there are no other parties to the deed of cross guarantee that are controlled by Verbrec Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2025 of the closed group.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2025 $'000	2024 $'000
Continuing operations		
Revenue	**79,928**	85,256
Cost of providing services	**(48,995)**	(53,561)
Other income	**(223)**	163
Other operating expenses	**(27,446)**	(24,651)
Finance income/ (expense)	**(1,091)**	666
Profit/ (loss) before income tax	**2,173**	7,873
Income tax (expense)/ benefit	**754**	(770)
Profit/ (loss) for the year	**2,927**	7,103
Loss from Discontinued Operation	**-**	(2,806)
Profit/ (loss) attributable to owners of the Company	**2,927**	4,297
Other comprehensive income for year, net of tax	**35**	52
Total comprehensive profit/ (loss) for the year	**2,962**	4,349

SUMMARY OF MOVEMENTS IN RETAINED EARNINGS	2025 $'000	2024 $'000
Retained earnings at the beginning of the financial year	**(6,787)**	**(11,084)**
Net profit/ (loss) for the year	2,927	4,297
Retained earnings at the end of the financial year	**(3,860)**	**(6,787)**

12 DEED OF CROSS GUARANTEE (CONTINUED)

(b) GROUP ENTITIES (CONTINUED)

Set out below is a consolidated statement of financial position as at 30 June 2025 of the closed group.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2025 $'000	2024 $'000
Current assets		
Cash and cash equivalents	**6,693**	4,201
Trade and other receivables	**13,915**	12,880
Prepayments	**1,353**	1,521
Contract assets	**2,748**	2,887
Current tax assets	**3**	18
Total current assets	**24,712**	21,507
Non-current assets		
Property, plant and equipment	**1,030**	1,011
Right-of-Use assets	**3,941**	4,990
Deferred tax assets	**7,594**	6,832
Intangible assets	**9,803**	10,267
Total non-current assets	**22,368**	23,100
Total assets	**47,080**	44,607
Current liabilities		
Trade and other payables	**3,954**	2,807
Contract liabilities	**3,464**	2,530
Borrowings	**1,128**	2,334
Lease liabilities	**2,427**	2,334
Employee benefits	**3,607**	3,751
Provisions	**469**	977
Total current liabilities	**15,049**	14,733
Non-current liabilities		
Employee benefits	**542**	483
Borrowings	**3,753**	4,302
Lease liabilities	**2,151**	3,506
Provisions	**326**	206
Total non-current liabilities	**6,772**	8,497
Total liabilities	**21,821**	23,230
Net assets	**25,259**	21,377
Equity		
Share capital	**28,155**	27,856
Reserves	**964**	308
Retained earnings	**(3,860)**	(6,787)
Total equity	**25,259**	21,377

VERBREC LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

1. Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

2. Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

3. Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Trust tax residency

Australian tax law does not contain corresponding residency tests for the partnerships and trusts disclosed above, and these entities are taxed on a flow-through basis.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT (CONTINUED)

Name of entity	Type of entity	Trustee, partner or participant in joint venture	% of share capital held	Country of in-corporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Verbrec Limited	Body corporate	n/a	**n/a**	Australia	Australian	n/a
Verbrec Infrastructure Services Pty Ltd[1]	Body corporate	n/a	**100**	Australia	Both	New Zealand
OSD Asset Services Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
PIPEd Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
OSD Projects Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
LogiCamms Holdings Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
LogiCamms (WA) Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
LogiCamms West Pty Ltd	Body corporate	Trustee	**100**	Australia	Australian	n/a
LogiCamms Consultants Trust	Trust	n/a	**n/a**	n/a	Australian	n/a
Verbrec International Holdings Pty Ltd[2]	Body corporate	n/a	**100**	Australia	Australian	n/a
Competency Training Pty Ltd[1]	Body corporate	n/a	**100**	Australia	Both	New Zealand
Verbrec Australia Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
LogiCamms (CGH) Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
LogiCamms (Central) Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
LogiCamms Shared Services Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
Petromod Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
Energy Infrastructure Management Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
StacksOn IP Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
StacksOn operations Pty Ltd	Body corporate	n/a	**100**	Australia	Australian	n/a
Verbrec New Zealand Limited	Body corporate	n/a	**100**	New Zealand	Foreign	New Zealand
Independent Technology Holdings Limited	Body corporate	n/a	**100**	New Zealand	Foreign	New Zealand
ITL Engineering New Zealand Limited	Body corporate	n/a	**100**	New Zealand	Foreign	New Zealand
ITL Limited	Body corporate	n/a	**100**	New Zealand	Foreign	New Zealand
ITL Engineering Australia Pty Ltd	Body corporate	n/a	**100**	New Zealand	Foreign	New Zealand
OSD Chile S.A. (dormant)	Body corporate	n/a	**100**	Chile	Foreign	Chile

[1]Verbrec Infrastructure Services Pty Ltd and Competency Training Pty Ltd are incorporated and operates in Australia and have registered branches in New Zealand. The branch operations have tax obligations in New Zealand under the New Zealand Income Tax Act 2007.

[2]Verbrec International Holdings Pty Ltd is an overseas company incorporated in Australia with operations in Papua New Guinea for a client. The company do not have tax obligations in Papua New Guinea as the client is acting as an agent to pay withholding tax to the PNG tax authority under the PNG Income Tax Act 1959 (FCWT) regime.

DIRECTORS' DECLARATION

In the directors' opinion:

a. the consolidated financial statements and notes set out on pages 80 to 132 are in accordance with the *Corporations Act 2001(Cth),* including:

(i) complying with Australian Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date, and

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable,

c. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 12 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee as described in note 12, and

d. the Consolidated Entity Disclosure Statement is true and correct

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as disclosed by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001(Cth) for the year ended 30 June. This declaration is made in accordance with a resolution of the directors.

Phillip Campbell
Chairperson

Brisbane
28 August 2025

INDEPENDENT AUDITOR'S REPORT

GrantThornton

Grant Thornton Audit Pty Ltd
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Independent Auditor's Report

To the Members of Verbrec Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Verbrec Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of customer contracts – Engineering Services (Note 4a)	
Revenue on customer contracts is earned over time, typically using costs incurred as a proportion of total forecast costs as the measure of progress. Estimating total forecast costs to complete during project life is complex and requires judgement. Typical cost estimates include labour, subcontractors, equipment, materials, and project overheads. Changes to these cost estimates could give rise to variances in the amount of revenue recognised. The revenue on contracts may also include variations and claims, which fall under either the variable consideration or contract modification requirements of AASB 15 *Revenue from Contracts with Customers*. These are recognised on a contract-by-contract basis when evidence supports that it is highly probable that a significant reversal in the amount of revenue recognised will not occur. We consider this area to be a key audit matter due to the importance of revenue in the measurement of the Group's performance and the significant judgements surrounding the timing and amount of revenue recognition.	Our procedures included, amongst others: • obtaining an understanding of the Group's processes and key controls over contract establishment and project management procedures related to revenue recognition, trade receivables, contract assets and contract liabilities. • reviewing the revenue recognition policies to ensure compliance with accounting standards; • testing key controls over the process to initiate, process and record revenue from contracts, including the allocation of costs to the appropriate contract and relevant IT systems; • selecting a sample of contracts for testing based on quantitative and qualitative risk factors related to the size and risk of project, and, for the sample selected: - enquiring with key project personnel to assess the project schedule, forecast costs, risks and opportunities; - reviewing relevant contract terms and conditions to evaluate the inclusion of individual characteristics and project risks into the Group's estimates; - testing the variations and claims recognised within revenue against the criteria for recognition in the accounting standards via inspection and assessment of supporting documentation; and - recalculating the progress towards satisfaction of the performance obligation. • for revenue recognised based on the stage of completion, assessing the cost assumptions used by the Group in determining the stage of completion estimate as follows: - costs incurred: assessing a sample of costs incurred to date to relevant underlying sources, such as invoices and time keeping records; - estimated total costs: assessing a sample of total forecast costs for delivery activities for accuracy and reasonableness, observing and evaluating the process management undertakes to review project costing and considering the historical accuracy of management's forecasts; and • evaluating the adequacy of the disclosures made in the financial report in light of the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Recoverability of goodwill and other intangible assets (Note 6c & 8c)	
The Group's consolidated statement of financial position includes significant intangible asset balances including goodwill and customer contracts assets. Pursuant to the requirements of AASB 136 *Impairment of Assets*, management must assess indefinite life intangibles, such as goodwill, for impairment annually. Assets are allocated to each of the Group's two cash-generating units (CGUs) - Engineering Services and Training Services. The recoverable amounts of the CGUs have been estimated using the value-in-use (VIU) approach utilising a discounted cash flow model. This is a key audit matter as impairment testing inherently involves critical accounting estimates and management judgement.	Our procedures included, amongst others: • assessing whether management's determination of CGUs is appropriate and consistent with our knowledge of the Group's operations; • assessing whether the carrying value of the CGUs included all assets and liabilities directly attributable to the CGU and that the model included all cash flow directly attributable to the CGU and a reasonable allocation of corporate overheads; • evaluating the Group's historical ability to forecast future cash flows by comparing budgets with reported actual results; • assessing and challenging significant judgements within the model, including the discount rate and growth rates; • verifying the mathematical accuracy of the model; • evaluating the Group's sensitivity analysis to assess whether a reasonably possible change in underlying assumptions would give rise to an impairment of the Group's goodwill balance; and • evaluating the adequacy of the disclosures made in the financial report in light of the requirements of Australian Accounting Standards

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 44 to 54 of the Directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Verbrec Limited, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 28 August 2025

ASX INFORMATION

Information is correct as at 12 August 2025.

SHAREHOLDINGS

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders, and the number of ordinary shares they each hold, is set out below:

SHAREHOLDER	UNITS	% OF UNITS
UBS NOMINEES PTY LTD	36,403,622	12.46
BOS INVESTMENTS AUSTRALIA PTY LT	23,751,738	8.13
MR BRIAN PATRICK O'SULLIVAN	21,401,733	7.33
CANDYBLOSSOM PTY LTD <MIRIMIN INVESTMENTS A/C>	18,101,775	6.20
THORNEY HOLDINGS PTY LTD	14,889,707	5.10
BLOEMHOF PTY LTD	13,663,905	4.68
BOS AUSTRALIA SUPER PTY LTD <BOS SUPER FUND A/C>	13,575,000	4.65
DMX CAPITAL PARTNERS LIMITED	10,255,456	3.51
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,243,395	2.48
GFNA BARTLEY FAMILY PTY LTD <GFNA BARTLEY FAMILY A/C>	6,338,803	2.17
O'SULLIVAN BROTHERS APPEAL FUND LIMITED <O'SULLIVAN BROS APPEAL A/C>	6,000,000	2.05
HSF SMSF PTY LTD <HORSTMANN SUPER A/C>	5,100,000	1.75
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,750,000	1.63
BLOEMHOF PTY LTD	4,437,870	1.52
GIFFARD SERVICES PTY LTD	4,249,093	1.45
BLOEMHOF PTY LTD	4,201,211	1.44
GFNA BARTLEY FAMILY PTY LTD <GFNA BARTLEY FAMILY A/C>	4,000,000	1.37
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,546,548	1.21
WESTFERRY OPERATIONS PTY LTD <THE WESTFERRY FUND A/C>	2,700,000	0.92
MR BRENDAN THOMAS BIRTHISTLE	2,598,499	0.89
Total	**207,208,355**	**70.94**
Balance of Register	84,961,705	29.06
Grand Total	**292,170,060**	**100.00**

SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders and their associates, and the number of ordinary shares they each hold:

SHAREHOLDER	UNITS	% OF UNITS
Brian Patrick O'Sullivan	64,728,471	22.15
Thorney Holdings Pty Ltd & TIGA Trading Pty Ltd	51,293,329	17.56
Candyblossom Pty Ltd & Bloemhof Pty Ltd	40,404,760	13.83
DMX Asset Management Ltd	18,818,633	6.44
Total	**175,245,193**	**59.98**
Balance of Register	116,924,867	40.02
Grand Total	**292,170,060**	**100.0**

DISTRIBUTION RANGES

ORDINARY SHARES

RANGE	TOTAL HOLDERS	UNITS	% OF UNITS
100,001 and over	151	276,511,902	95.79
10,001 – 100,000	291	10,323,554	3.58
5,001 – 10,000	153	1,229,579	0.43
1,001 – 5,000	163	592,895	0.21
1 – 1,000	69	19,811	0.01
Rounding			-0.02
TOTAL	**827**	**288,677,741**	**100.00**

There were 230 holders of unmarketable parcels of less than $500.

UNLISTED PERFORMANCE RIGHTS (SUBJECT TO VESTING TESTS):

RANGE	TOTAL HOLDERS	UNITS	% OF UNITS
100,001 and over	11	17,547,263	100%
10,001 – 100,000	-	-	-
5,001 – 10,000	-	-	-
1,001 – 5,000	-	-	-
1 – 1,000	-	-	-
Total	**11**	**17,547,263**	**100%**

UNLISTED PERFORMANCE RIGHTS (VESTED BUT NOT EXERCISED):

RANGE	TOTAL HOLDERS	UNITS	% OF UNITS
100,001 and over	4	1,772,750	100%
10,001 – 100,000	-	-	-
5,001 – 10,000	-	-	-
1,001 – 5,000	-	-	-
1 – 1,000	-	-	-
Total	**4**	**1,772,750**	**100%**

DISTRIBUTION RANGES (CONTINUED)

UNLISTED OPTIONS:

RANGE	TOTAL HOLDERS	UNITS	% OF UNITS
100,001 and over	1	6,860,000	100%
10,001 – 100,000	-	-	-
5,001 – 10,000	-	-	-
1,001 – 5,000	-	-	-
1 – 1,000	-	-	-
Total	**1**	**6,860,000**	**100%**

VOLUNTARY ESCROW:
Nil.

BUY BACK:
The Company did not undertake any buy back activities during the financial year.

VOTING RIGHTS:

Ordinary Shares: The voting rights attached to ordinary shares are governed by the Constitution. On a show of hands at a meeting of members, each member has one vote. On a poll at a meeting of members, each member has one vote for each fully paid ordinary share held, and a fraction of one vote for each partly paid ordinary share held equal to the proportion which the member has paid on the partly paid ordinary share (if the total number of votes to which a member is entitled to vote does not constitute a whole number, then a fractional part will be disregarded by the Company).

Performance Rights: There are no voting rights attached to any of the Company's performance rights.
Options: There are no voting rights attached to any of the Company's options.

ON-MARKET PURCHASES:
There were no on-market purchases of securities by the Company during the reporting period.

CORPORATE DIRECTORY

DIRECTORS

Phillip Campbell – Chairman
Matthew Morgan
Brian O'Sullivan

COMPANY SECRETARY

Joel Voss

REGISTERED OFFICE

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200 Mary Street
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SHARE REGISTER

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Level 1
200 Mary Street
Brisbane QLD 4000

AUDITOR

Grant Thornton Audit Pty Ltd
King George Central
Level 18
145 Ann Street
Brisbane QLD 4000

SOLICITOR

Jones Day
Level 31
123 Eagle Street
Brisbane QLD 4000

BANKERS

Westpac Banking Corporation Limited
Level 2
90 Kittyhawk Drive
Chermside QLD 4032

SECURITIES EXCHANGE LISTING

Verbrec Limited shares are listed on the Australian Securities Exchange (ASX Code: VBC)

WEBSITE

www.verbrec.com

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement is available on the Company's website at: **https://verbrec.com/investor-centre/corporate-governance/**

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VERBREC LIMITED ABN 90 127 897 689