Annual Report 2025

Acknowledgment of Country

We acknowledge the Traditional Owners and Custodians of Country throughout Australia, and pay our respects to First Nations peoples, past and present. As a business that operates across many locations, we recognise and support their ongoing connection to lands, waters, cultures, languages and traditions.

Contents

About this report

The Saunders 2025 Annual Report summarises Saunders International Limited's operations, performance and financial position for the financial year ended 30 June 2025. Unless otherwise stated, references to 'Saunders', 'the Company', 'the Group', 'us', 'we' and 'our' refer to Saunders International Limited. References to 'year', 'Financial Year', '2025', 'FY25' or 'FY2025' all refer to the financial year ended 30 June 2025. All dollar figures are expressed in Australian dollars unless otherwise noted.

About us

One Team, building a better future

Experts in engineering, construction and industrial asset services

Proudly Australian, built on experience

Saunders is a proudly Australian, ASX-listed company delivering multidisciplinary engineering, construction and industrial asset services. With more than 70 years of experience, we are trusted by leading organisations across Defence & Government, Water, Energy and Resources & Industrials to deliver complex projects with confidence.

One Team, one culture

Our people are united by a strong culture of collaboration, transparency and accountability - both internally and with our clients. Together, we focus on delivering solutions, not problems, tailoring our approach to the unique needs of every project.

Resilient, scalable and reliable

With a balanced portfolio of traditional construction contracts and annuity-style earnings, Saunders offers resilience, scalability and performance. Backed by decades of proven experience, our clients and investors can count on us to deliver quality outcomes - safely, efficiently and reliably.

Integrated solutions across the asset lifecycle

We've evolved into a national provider of integrated, future-focused solutions - supporting clients through every stage of the asset lifecycle, from design and construction to commissioning, maintenance and upgrades.

Trusted by leading organisations

We take pride in our work with some of the world's largest energy companies, top-tier construction partners and all levels of government. Our relationships are built on trust, repeat performance and a shared commitment to excellence.

Markets we serve

- Defence & Government
- Water
- Energy
- Resources & Industrials

Expert Capability

01 Fluid Storage and Transfer Infrastructure

02 Structural, Mechanical and Piping

03 Industrial Automation and Electrical

04 Civil and Water Infrastructure

05 Industrial Asset and Maintenance Services

We work as One Team - partnering with clients to deliver tailored, end-to-end solutions that bring certainty, innovation and long-term value.

11 metropolitan & regional offices*

72 major projects in delivery*
As at 30 June 2025

70+	years of experience
ASX	listed since 2007
National	delivery footprint
Diverse	long-term client base

* Numbers and projects include Saunders Aqua Metro Acquisition

Performance Highlights

FY2025 marked a year of resilience, progress and strategic growth for Saunders.

We continued to strengthen our foundations through disciplined delivery, smarter systems and a growing pipeline of high-quality opportunities. While the timing of some project awards - particularly in the Defence and Resources sectors - shifted into FY2026 and weather impacted delivery in parts of regional Australia, our focus on cost control, operational optimisation and client relationships ensured we remained well positioned.

Throughout the year, we achieved zero Lost Time Injuries reduced our TRIFR[12] rate by 34%, and further embedded our integrated delivery model.

The strategic acquisition of Aqua Metro will expand our capability in water infrastructure and enhanced our annuity-style revenue base, positioning Saunders for long-term growth in one of Australia's most active infrastructure sectors.

With a sharpened client focus, a resilient multidisciplinary model and strong national momentum, we concluded FY2025 with renewed confidence. We remain focused on scaling regional capability, deepening client partnerships and embedding innovation to meet evolving market needs.

Performance Highlights

Revenue
$214.5m
-0.7% ↘ from $216.1m

Adjusted EBITDA[1]
$9.3m
-56.3% ↘ from $21.3m adjusted

Adjusted EBITDA margin
4.3%
-5.5% ↘ from 9.9% adjusted

Adjusted NPAT
$2.1m
-77.9% ↘ from $9.4m

Adjusted earnings per share (basic)
2.68 cents
-73.1% ↘ from 9.96 cents adjusted

Annual dividend distribution
2.25 cents
-47.1% ↘ from 4.25 cents

Cash
$22.1m
11.5% ↗ from $19.8m

Order book[3]
$529.0m
179.5% ↗ from $189.3m adjusted

Pipeline[2]
$4.0b
100.0% ↗ from $2.0b

The FY2025 and FY2024 Statutory EBITDA, EBITDA Margin, NPAT, and Adjusted Earnings per Share have been adjusted to add back the impact of one-off acquisition and integration costs incurred by Saunders for Aqua Metro and Piping Solutions which are considered non-recurring.
1 See page 35 for reconciliation of profit before income tax to EBITDA.
2 Includes $1.4 billion pipeline from announced acquisition of Aqua Metro.
3 Includes order book from announced acquisition of Aqua Metro for secured projects and anticipated work under existing framework agreements (FY2026–FY2031), based on historical weighted win rates less intercompany scope.

Major Projects Secured

KCGM CIL3 Mechanical Infrastructure Upgrade (WA)

Client: Northern Star Resources

Value: $31.5 million

Scope: Reconstruction and upgrade of six large carbon-in-leach (CIL) tanks - each 12.7m in diameter and 13.5m high - plus associated structural steel, pipework and launders.

Significance: Highlights our growing presence and expanded service offering in Western Australia, particularly in complex brownfield environments.

KCGM Growth Project CIL4 Tank Construction (WA)

Client: Primero

Value: $27.0 million

Scope: Construction of eight CIL tanks, seven process tanks and interconnecting launders to increase throughput at Northern Star's Fimiston Processing Plant.

Significance: Builds on our momentum in the region and reinforces our capability to deliver safely and collaboratively in high-risk mining environments.

Bald Hill Storage Infrastructure (VIC)

Client: Greater Western Water

Value: $27.0 million

Scope: Design and construction contract for two 10 mega-litre water tanks dedicated to storing potable water at Bald Hill in Sunbury.

Significance: This project has further strengthened the relationship between Saunders and Aqua Metro, built on trust, collaboration and shared commitment to delivering high-quality water infrastructure.

Performance Highlights (cont.)

Strategic Highlights

In July 2025, Saunders announced the acquisition of Aqua Metro, a leading water infrastructure delivery partner with a strong track record across Victoria. The acquisition significantly expands our national capability in water and wastewater infrastructure and strengthens our presence on long-term utility frameworks.

Aqua Metro Acquisition

Aqua Metro brings:

- A $411 million work-in-hand portfolio
- Positions on four major water authority panels
- A skilled workforce of 100+ people
- A pipeline of more than $1.4 billion through to FY2031

The business is highly complementary to Saunders, offering civil construction, water storage, pipeline rehabilitation and program management services. The acquisition supports our strategy to grow annuity-style earnings, expand recurring utility work and deepen our role in delivering critical public infrastructure.

Growth and Market Expansion

- Secured and renewed seven national and site specific framework agreements in the Energy, Water and Defence sectors, providing opportunity to grow our annuity-style earnings.
- Secured more than $70 million in new contracts across Defence, Resources and Energy
- Strengthened national presence with growing activity in WA, VIC and regional NSW
- Completed Piping Solutions integration, enhancing our multidisciplinary offering and delivering value.

Safety and Quality

- Achieved zero Lost Time Injuries and improved TRIFR[12] to 4.91
- Maintained Office of the Federal Safety Commissioner Low Risk rating and ISO certifications across all entities
- Embedded ‘Together for Safety’ and launched ‘Together for Quality’.

People and Culture

- Welcomed first cohort of Graduate Engineers across civil, mechanical and systems streams
- Achieved an employee Net Promoter Score of 34 - nearly double the construction sector average
- Deepened inclusion and recognition through RAP engagement and service milestones.

Sustainability and Governance

- Completed our first Reflect RAP and initiated development of our Innovate RAP
- Strengthened modern slavery due diligence across policy, training and governance
- Continued progress toward ESG reporting alignment with incoming regulatory requirements.

“The acquisition of Aqua Metro is a significant strategic milestone improving our operating scale, enhancing our capabilities and accelerating our growth in the water sector.”

Mark Benson,
Managing Director &
Chief Executive Officer

Chair Report

Nicholas Yates, Chair

On behalf of the Board of Directors, I am pleased to present Saunders' Annual Report for the 2025 financial year. FY2025 was a year of challenge and change - marked by strategic progress, operational discipline and continued investment in Saunders' future. While external pressures affected short-term performance, the business responded decisively, maintaining focus and momentum across its key markets.

Nicholas Yates
Chair
Saunders

Chair Report

Strategic Focus and Resilience

While financial results were below expectations - driven by delayed project awards, weather-related disruptions, margin erosion from complex project delivery and a cost base set for higher revenue - we acted swiftly to mitigate impacts. Efficiency measures were introduced, delivery controls were reinforced and our commitment to safety and client outcomes remained central. Importantly, we are confident in the company's future.

The acquisition of Aqua Metro in July 2025 is a major step forward in our growth strategy. It expands our footprint in Victoria, deepens our capability in the Water sector and brings long-term utility contracts that strengthen recurring revenue. The acquisition also supports diversification and enhances our participation in major frameworks and panel agreements.

With a record tender pipeline of $4.0 billion the Group is well-positioned to capitalise on future opportunities.

Operational Delivery

Saunders continues to perform strongly in complex, high-compliance environments - from live airports and Defence bases to remote mine sites and industrial facilities.

In FY2025, the company recorded zero Lost Time Injuries and a combined TRIFR[12] of 4.91. This reflects the inclusion of Piping Solutions data and it marks a baseline for our now fully integrated business. We are focused on strengthening our safety culture, embedding consistent systems and lifting performance across all operations. The continued rollout of 'Together for Safety' and 'Together for Quality' is helping drive behavioural accountability and lift delivery standards across all projects.

These results reflect the cumulative impact of multiple flood events, associated delivery delays and the timing of several large project conversions in the second half. Importantly, no significant opportunities were lost and many of the deferred awards remain active and under negotiation.

Management continues to align the cost base with revenue timing while maintaining capacity for future growth.

$214.5m	Revenue: down 0.7%
$9.3m	Adjusted EBITDA: down 56.3%
$22.1m	Strong balance sheet with cash and cash equivalents, up 11.5% on the prior year
$4.0b	Record pipeline, up 100.0% year-on-year (includes Aqua Metro acquisition)

Leadership and Governance

In June 2025, Mark Benson announced his well-planned decision to step down as Managing Director and Chief Executive Officer, effective 31 December 2025. The Board has commenced the recruitment process for his successor and will provide a market update in due course.

On behalf of the Board, I would like to thank Mark for his outstanding leadership over the past decade. Under his stewardship, Saunders has transformed from a specialised tank contractor into a national, multidisciplinary delivery partner. His focus on operational discipline, safety and sustainable growth has left a lasting legacy.

We also acknowledge the contribution of Brendan York, who resigned as a Non-Executive Director in June to pursue a new executive opportunity. Brendan brought valuable financial and governance insight, serving as Chair of the Remuneration Committee and a member of the Audit and Risk Committee.
We thank him for his service and wish him continued success.

ESG and Sustainability

In FY2025, we delivered our first Reflect Reconciliation Action Plan (RAP), enhanced modern slavery governance and continued strengthening our ESG reporting practices.

Looking ahead, we are progressing toward an Innovate RAP, deepening engagement with First Nations stakeholders and formalising our Environmental Sustainability Plan to align with emerging regulatory requirements.

These initiatives reinforce our commitment to ethical, responsible business and reflect the values that underpin our long-term success.

Outlook

Saunders enters FY2026 with a sharpened strategic focus and strong national momentum. The tender pipeline continues to grow, reaching $4.0 billion as at 30 June 2025 - up from $2.0 billion on 31 July the prior year. Defence, Water and Resources remain key growth sectors.

Our near-term focus will be on converting delayed project opportunities, scaling regional delivery capability and increasing annuity-style revenue through long-term service agreements.

Acknowledgements

I would like to thank our shareholders for their continued support, our employees for their dedication and professionalism and my fellow Directors for their guidance and leadership.

Saunders is in a strong position. We remain performance-led, values-driven and focused on creating sustainable value for all stakeholders.

Managing Director & CEO Report

Mark Benson, Managing Director and Chief Executive Officer

I'm pleased to present the Saunders FY2025 Annual Report - one that reflects the strength of our people, the evolution of our business and the strategic positioning we've built across our core markets.

Mark Benson
Managing Director and
Chief Executive Officer
Saunders

Managing Director & CEO Report

Safety and Quality

Safety remains our highest priority, particularly as we grow our national footprint and integrate new teams. In FY2025, we achieved another Lost Time Injury free year. We established a new Total Recordable Injury Frequency Rate (TRIFR[12]) baseline post integration of Piping Solutions and this year have been able to reduce the combined TRIFR[12] by 34% to 4.91.

Our 'Together for Safety' program continues to strengthen our culture by driving personal accountability and reinforcing shared responsibility for safety outcomes. This year, we also launched 'Together for Quality' - a new initiative to support continuous improvement and boost client satisfaction through a shared commitment to excellence.

Financial Performance

While unforeseen project delays and weather impacts have led to our FY2025 results falling short of achieving a sixth consecutive year of record growth, we remain confident in the company's future. In addition to having record levels of work-in-hand and pipeline value, the announced acquisition of Aqua Metro represents a significant strategic milestone, enhancing our capabilities and accelerating our growth in the Water sector. Supported by a solid financial foundation, a comprehensive service offering and a disciplined execution focus, we are well-positioned to deliver improved performance in the years ahead.

Strategic Growth

The acquisition of Aqua Metro will significantly enhance our water infrastructure capability and strengthened our presence on long-term utility panels. It also supports our push for annuity-style earnings and deepens our role in critical infrastructure delivery.

We also progressed the integration of Piping Solutions, with cultural and operational alignment enhancing our multidisciplinary service offering. With the earn-out now complete, the business is fully embedded as part of the Saunders Group. In addition, we have secured or extended seven panel agreements in the Energy, Water and Defence sectors, unlocking more consistent workflow and growing our recurring revenue base.

Expanding Capability

Saunders is now a truly multidisciplinary provider across our key markets. In FY2025, we successfully delivered projects in:

- Live airport environments
- Active Defence bases
- Remote mine sites
- Long-term maintenance settings

Our integrated delivery platform - strengthened by recent acquisitions - gives us unique specialist capability and positions us well for opportunities in energy transition, sovereign fuel resilience, water security and industrial infrastructure renewal.

People and Culture

Our people are the driving force behind our success - guided by our values and united under our One Team culture.

This year, we welcomed the first intake of our Graduate Program, progressed apprenticeship pathways and celebrated long-serving team members. A company-wide engagement survey returned a Net Promoter Score of 34, well above the industry average.

We now have over 580 permanent employees, including 100 new Aqua Metro team members - whose experience and commitment are already strengthening our business.

Looking Ahead

In response to the FY2025 market environment, we have taken decisive steps to enhance operational efficiency and reduce costs. Additionally, the acquisition of Aqua Metro will further diversify our revenue base and enables the business to continue to scale without a material increase in overheads. Our priority is to convert key opportunities in the pipeline to sustain growth.

Tendering activity remains robust, particularly in the Defence and Resources sectors, reflecting our strong market positioning. Combined with the significant pipeline in the Water Infrastructure sector, strengthened by the acquisition of Aqua Metro, we have confidence in our future performance. While we anticipate that current external market challenges, particularly in Defence, will persist into FY2026, there are encouraging signs of progress toward investment commitments.

Our focus in FY2026 will be to:

- Convert high-value pipeline opportunities
- Expand regional delivery capability
- Grow annuity-style service models
- Maintain disciplined cost control

Thank You

Saunders is in a strong position. Our strategy is clear, our team is committed and our clients continue to place their trust in us. As I prepare to step down later this year, I want to sincerely thank our clients for their ongoing partnership, our shareholders for their support and above all, our people for their dedication, resilience and teamwork.

It has been an absolute privilege to lead Saunders over the past ten years. I am incredibly proud of what we've achieved together and confident that the company is well placed for continued success.

Safety

At Saunders, safety is more than a policy - it's a core value. Our commitment to 'Zero Harm' guides every decision and action we take to protect our people, subcontractors and the communities in which we work.

Safety

As our business continues to grow, we remain focused on proactive safety leadership, risk ownership at all levels and continuous improvement in systems and behaviours.

In FY2025, we achieved a Lost Time Injury (LTI)-free year and following the inclusion of Piping Solutions' safety data, established an updated baseline for our fully integrated business. Working together to influence the safety culture, we have been able to reduce the combined Total Recordable Injury Frequency Rate (TRIFR[12]) by 34% to 4.91 within the first year.

With alignment now in place, we're focused on strengthening our safety culture, embedding consistent systems and lifting performance across the Group.

2025 Highlights

Zero LTI and TRIFR improvement

We successfully maintained a Lost Time Injury-free record across FY2025. Despite the integration of our newly acquired Piping business, we achieved our revised TRIFR[12] target, reaching 4.91 per million hours worked as of June 2025.

Certified safety across the Group

All Saunders operations are now certified to AS ISO 9001, AS ISO 14001 and AS ISO 45001, following the successful integration of our newly acquired businesses into the Saunders Integrated Management System.

Together for Safety – personalising accountability

We enhanced our 'Together for Safety' program by embedding personalised accountabilities at business unit level. New tools - including 'Plan on a Page' (POP) and 'Personal Action Plans' (PAPs) - ensure safety ownership is embedded across roles, reinforcing a shared responsibility for safety outcomes.

Together for Quality – lifting standards and satisfaction

FY2025 marked the launch of 'Together for Quality', a new initiative grounded in five key principles of quality management. Designed to strengthen compliance, reduce defects and enhance workmanship, this program supports continuous improvement and boosts client satisfaction through a shared commitment to excellence.

Maintaining FSC Accreditation

Following a successful audit by the Office of the Federal Safety Commissioner, Saunders retained a Low Risk rating, reflecting the maturity and effectiveness of our Health & Safety Management System.

2026 Focus Areas

- Strengthen safety culture through deeper personalisation of the 'Together for Safety' program.
- Extend adoption of 'Together for Quality' across projects to embed best practice and emphasise prevention.
- Continue to invest in safety leadership capability across all levels of the business.
- Maintain strong compliance with WHS obligations, certifications and audit readiness.
- Support operational teams with tools, training and insights to reduce risk and enhance quality on site.

Highlights

0 LTI
in FY2025

34%
reduced TRIFR[12] to 4.91

Certified
All Saunders entities certified to AS ISO 9001, 14001 and 45001

Low Risk
Office of the Federal Safety Commissioner Low Risk rating maintained

People & Capability

At Saunders, how we work defines who we are. It's not just about delivering projects - it's about shaping a safer, more sustainable and inclusive future.

People & Capability

Our people are the foundation of our success. We invest in their growth, celebrate long-term contributions and foster a culture of collaboration, integrity and respect.

Guided by our values and united under our One Team culture, we're focused on creating a workplace where every individual feels empowered to thrive - supporting not just our projects and clients, but the communities in which we live and work.

2025 Highlights

Graduate Program Launch

In June 2025, we proudly welcomed our first graduate cohort. Eleven graduates across civil, mechanical and systems engineering began an 18-month program focused on hands-on learning, mentorship and cross-business rotations.

Apprenticeship Pathways

Nine apprentices are currently building their careers at Saunders. This year, three completed their apprenticeships and continued with the Piping team - highlighting our commitment to developing talent from within.

Employee Engagement Survey

A November 2024 survey saw 293 employees participate (65% response rate), with an Net Promoter Score of 34 - considered 'good' and nearly double the industry average of 18.

Reflect RAP Engagement

Our June 2025 RAP survey revealed strong employee interest in our Reflect Reconciliation Action Plan and future cultural awareness training.

Diversity & Inclusion

We continue to embed inclusive practices, promoting gender equity, cultural diversity and a strong sense of belonging.

Long-Term Service

We recognised long-serving employees, including two reaching 30 years, one reaching 25 and two celebrating 10-year milestones - reflecting strong team loyalty.

Community Giving

Our people gave back through initiatives such as packing 220 Christmas hampers delivered to Foodbank and the Salvos.

Health & Wellbeing

We ran wellbeing challenges that foster connection and supported causes including Cancer Council, Big Group Hug and Dog Rescue Newcastle - championing healthy habits across the business.

2026 Focus Areas

Build on the success of our Graduate Program with a focus on development pathways and retention.

Continue to advance diversity, equity and inclusion through targeted initiatives and inclusive recruitment.

Launch internal communications and leadership training to support engagement and capability uplift.

Drive progress against our Innovate RAP by embedding cultural protocols and creating new opportunities.

Prepare for the next Employee Engagement Survey by addressing key focus areas identified in FY2025.

Our Values

Our values are the foundation of our culture, guiding how we work and shaping the impact we make:

ZERO HARM

Zero Harm: Safety isn't negotiable – it's embedded in everything we do.

ONE TEAM

One Team: The best results come from collaboration.

RAISE THE BAR

Excellence: We set the benchmark for quality and performance.

Innovation: We challenge convention and seek smarter solutions.

Integrity: Trust is earned through honesty and accountability.

Respect: We foster an inclusive and diverse workplace.

Partnering for Performance

In FY2025, Saunders delivered a strong mix of discrete project wins and repeat service engagements - continuing to support long-standing clients while expanding our role as a strategic delivery partner.

Partnering for Performance

While project-by-project contracts remain important, our strongest growth is coming from clients who choose to work with us more consistently and collaboratively.

We're evolving how we engage - reducing procurement friction, creating delivery certainty and helping clients unlock better outcomes from the outset.

Stronger partnerships through smarter engagement

Across every sector, we deepened relationships by embedding earlier in the project lifecycle and offering streamlined engagement models:

- Master Services Agreements (MSAs) gave clients flexible, fast access to our multidisciplinary teams.
- Early Contractor Involvement (ECI) helped improve constructability, reduce risk and drive cost and schedule efficiencies.
- Panel appointments enabled low-friction access to capital works and upgrades.

These models have long also been a core part of Aqua Metro's approach, supporting major utilities, local government and water authorities. Their integration into Saunders strengthens our national capability to operate within frameworks and expand long-term client partnerships.

Long-term relationships in action

We continued to support Ampol, Confluence Water, Mobil, Quantem, Transport for NSW, Viva Energy, Vopak and numerous local councils. Many clients engage us across multiple sites and scopes - from shutdowns and maintenance to upgrades and greenfield delivery.

Our ability to work safely and efficiently in complex operational environments remains a key differentiator for securing repeat work.

Market momentum driving opportunity

Across Defence, Water, Resources and Energy, clients are seeking reliable partners with integrated, scalable delivery.

- Pipeline of opportunities increased to $4.0 billion at 30 June 2025 (up from 2.0 billion at 31 July 2024)
- New frameworks agreements and panels are opening access to long-term infrastructure programs
- Sustaining capital programs continue to drive demand across multiple markets

Looking ahead to FY2026

We'll keep strengthening our engagement models - enhancing transparency, embedding client feedback and aligning teams to sector needs. Whether through programs of work or discrete projects, we remain focused on delivering value as One Team.

Strategic benefits of smarter engagement

- Entry to major projects and full-scope delivery
- Stronger alignment and trust from day one
- Improved pipeline visibility and forecasting
- Reduced bidding pressure
- Early risk identification and mitigation
- Greater influence on design and value engineering.

FY2025 ECI & Panel Wins

Viva Energy Tank Maintenance and Repair Services

Capability: Fluid Storage and Transfer Infrastructure Industrial Asset Services

Location: National

Supporting sustaining capital projects across Viva Energy's assets nationally, including tank turn arounds, pipework modifications and concrete remediation.

UGL Defence Fuel Ground Services Panel

Capability: Industrial Asset and Maintenance Services

Location: National

Support for maintenance, turn arounds and return to service of Defence fuel storage infrastructure and associated supporting pipework.

Esperance UAN Storage Facility ECI

Capability: Fluid Storage and Transfer Infrastructure.

Location: WA

Value engineering, constructability study and development of preliminary cost estimate and construction program in support of a Final Investment Decision (FID).

Sustainability

As Environmental, Social and Governance (ESG) continues to evolve into a strategic business focus, we're drawing on the insights of our clients and industry leaders to make a meaningful impact across our operations and meet the expectations of our clients, communities, employees and investors.

Sustainability

In FY2025, we made solid progress across social impact, sustainable practices and reporting maturity. From delivering our first Reflect RAP to increasing visibility of modern slavery risks within our supply chain, we continue to strengthen the internal capability, partnerships and accountability needed to support a more sustainable future.

2025 Highlights

Reflect RAP Completion & Progress to Innovate

We proudly completed the actions outlined in our first Reflect Reconciliation Action Plan (RAP). Through this journey, we strengthened cultural awareness, deepened our understanding of First Nations engagement and laid the groundwork for ongoing reconciliation.

Our leadership team completed cultural awareness training, employees participated in National Reconciliation Week activities and we began identifying Aboriginal and Torres Strait Islander employees to inform future programs. We also formalised commercial agreements with Indigenous-owned supply chain partners. Building on this foundation, we've developed an Innovate RAP to embed more ambitious commitments moving forward.

First Nations Partnerships

In line with our Indigenous Participation Policy and commitments under the Reflect RAP, we strengthened engagement with Aboriginal and Torres Strait Islander communities by forming three new Supply Nation Certified partnerships. These agreements create meaningful employment pathways, support Indigenous apprentices and trainees, and increase procurement from First Nations-owned businesses.

In FY2025, we welcomed Goal Indigenous Services to support recruitment and cultural awareness training, Countryman Safety as our preferred supplier of workwear and PPE, and Muru Office Supplies as our preferred provider of office supplies. Together, these partnerships are helping embed reconciliation into our operations and supply chain.

Modern Slavery Risk Management

Saunders continues to uphold its commitment to human rights through ongoing refinement of our Modern Slavery Policy. While our domestic supply chain presents a low inherent risk, we remain proactive in assessing and addressing potential exposure. This year, we enhanced due diligence and reinforced processes across governance, training and operational practices to ensure consistency and visibility across the business.

2026 Focus Areas	Highlights
Step up to an Innovate Reconciliation Action Plan, deepening First Nations engagement and building on early partnerships.	**Procurement** Achieved record procurement with Indigenous-owned businesses.
Formalise our Environmental Sustainability Plan, working towards publication of our first Environmental Sustainability Report.	**Reconciliation** Commenced development of Innovate RAP.
Expand our Modern Slavery commitments, improving visibility and controls across more tiers of the supply chain.	**Ethics** Enhanced Modern Slavery due diligence across four key pillars.
Implement ESG reporting metrics aligned with incoming regulatory requirements, embedding data and accountability across our systems.	**Sustainability** Strengthened ESG reporting foundations in preparation for mandatory disclosures.

Operations

Saunders' operational model is designed to deliver high-quality outcomes - no matter the location, complexity or risk profile.

Operations

Our ability to combine national reach, multidisciplinary capability and disciplined delivery continues to set us apart in high-performance, high-compliance environments.

End-to-end capability across every market

In FY2025, we successfully delivered projects across all four of our core sectors: Defence & Government, Water, Energy and Resources & Industrials. Our integrated model and capabilities enabled seamless delivery from early works through to commissioning, shutdowns and long-term maintenance.

Whether delivering in live airports, active defence bases or remote mining sites, our teams maintained strong safety performance, efficient project staging and a commitment to quality outcomes.

Strengthening systems, planning and lifecycle value

We continued investing in operational performance through a business-wide training audit and improved performance review processes. These initiatives are enhancing visibility, resource planning and project certainty - especially across regional and remote delivery.

Lifecycle services also expanded, with shutdowns, upgrades and maintenance contracts supporting recurring revenue and helping clients extend the performance of their critical assets.

FY2025 Highlights

- Delivered multidisciplinary projects across all sectors
- Strengthened planning, workforce and project controls systems
- Expanded lifecycle services and long-term maintenance offering
- Maintained strong safety performance in live, high-risk environments

Looking Ahead to FY2026

- Grow regional delivery capability and site leadership depth
- Embed digital tools to support real-time tracking, Quality Assurance (QA) and reporting
- Expand lifecycle services across shutdowns and asset performance
- Scale delivery capability for larger, more complex scopes

Western Sydney International Airport

Bulk Fluid Storage, Industrial Automation and Electrical and Piping

Value: $70.0 million

Locations: Luddenham, NSW

In late 2022, we were awarded a significant contract by Multiplex to build the aviation fuel terminal at the new Western Sydney International Airport. This project showcases our ability to deliver integrated, multidisciplinary solutions by bringing together a Saunders team specialising in both Bulk Fluid Storage, SMP and Industrial Automation and Electrical.

This contract includes the design and construction of:

- Three aviation fuel storage tanks
- The aviation fuel terminal's mechanical piping, valves, pumps, filters, instrumentation and controls
- The aviation fuel terminal's electrical services, including cabling and switchboards, Supervisory Control and Data Acquisition (SCADA) electrical and controls.

As part of the overall project, in 2021 the independent Piping Solutions business was appointed to deliver a new hydrant line. This aspect of the project involved the installation and commissioning of 10.5 km of aviation fuel hydrant lines, leveraging our team's expertise in fuel infrastructure. In 2023, we also secured additional SMP works which connect the newly installed fuel hydrant main system to the fuel farm facility.

This project highlights the value of our piping expertise in providing a one-stop solution to our clients, reinforcing our commitment to delivering multidisciplinary, integrated capabilities. Following the completion of construction activities. Saunders was engaged to support Multiplex and Skytanking Australia, the Terminal operator, undertake final stage commissioning ahead of the commencement of commercial operations. This engagement further demonstrates Saunders specialist in-house capability.

Markets

Focused sectors. Resilient demand. Strong future opportunity.

Saunders operates in four core markets - Defence & Government, Water, Energy and Resources & Industrials. These sectors remain strategically aligned to our strengths, underpinned by ongoing national investment, infrastructure renewal and long-term client demand.

- Defence & Government
- Water
- Energy
- Resources & Industrials

In FY2025, we deepened relationships with key clients, secured new framework and panel agreements and grew our early contractor involvement (ECI) portfolio. While the deferral of some project awards impacted short-term revenue timing, our tender pipeline remains at record levels. Annuity-style contracts and long-term service agreements continued to provide stability, while our integrated, multidisciplinary model supported strong performance across operational and high-risk environments.

In July 2025, Saunders announced the acquisition of Aqua Metro, a leading Victorian water infrastructure provider with deep delivery capability, long-term utility contracts and established positions on multiple authority panels. This strategic move significantly expands our national water footprint, enhances our annuity revenue base and strengthens our presence in one of Australia's most active infrastructure sectors.

Markets

Deepening Relationships

We continued to build trust with key clients across all sectors, delivering consistent performance and strengthening repeat business through transparency, responsiveness and disciplined project execution.

ECI & MSA Appointments

Early contractor involvement (ECI) and Master Services Agreements (MSAs) were expanded in FY2025, enabling early design input, reducing delivery risk and securing long-term work pipelines - particularly in the Energy and Defence sectors.

Panel & Framework Agreements

Our access to major government, utility and energy frameworks was further strengthened through new panel appointments and renewals - including those secured via the Aqua Metro acquisition. These agreements provide greater visibility and support multi-year client engagements.

Customer & Market Attractiveness

We are well-aligned to sectors with favourable investment settings, low cyclicality and a growing need for infrastructure renewal. From sovereign fuel resilience and water security to energy transition and industrial expansion, client demand for integrated delivery models continues to rise.

Record Tender Pipeline

Tender activity reached record levels in FY2025, with Saunders shortlisted for several major Defence and Water projects. While some awards were deferred into FY2026, the pipeline remains strong and supported by robust sector fundamentals.

Low-Risk Annuity Work

We maintained a balanced revenue model, combining traditional construction contracts with annuity-style work under long-term maintenance agreements, MSAs and frameworks - bolstered by the Aqua Metro acquisition and its recurring utility infrastructure portfolio.

Defence & Government

Delivering secure, high-performance infrastructure for national capability.

FY2025 Highlights

Shortlisted for multiple high-value Defence contracts

Commenced ECI on a strategic Defence project (construction FY2027)

Pursued cross-border Defence opportunities with Tier 1 primes

Progressed LGA bridge upgrades despite weather disruptions

Defence & Government

Building Strategic Positions

We were shortlisted for several major Defence contracts in FY2025, with decisions expected in FY2026. These projects span critical fuel infrastructure, base upgrades and high-security facilities. We also progressed an Early Contractor Involvement (ECI) engagement for a strategic Defence project expected to commence construction in H1 FY2027.

We were also appointed to a Defence panel during the year, strengthening our access to future pipeline opportunities and reinforcing our position as a trusted delivery partner.

Saunders is actively pursuing opportunities across the Indo-Pacific region, including Australian and US Defence initiatives. Our ability to deliver in operational Defence environments - minimising disruption and maintaining compliance - remains a clear strength.

Local Government Infrastructure

Alongside Defence, we continued to support regional and local government clients through bridge replacement and civil infrastructure projects. While unseasonal weather impacted delivery timing in FY2025, the pipeline for our Infrastructure team remains robust heading into FY2026.

The acquisition of Aqua Metro has strengthened our ability to service government bodies with expanded water infrastructure capabilities, particularly across Victoria.

FY2026 Outlook

- Anticipate Defence project awards across multiple states
- Expand Infrastructure delivery for councils and regional governments
- Transition ECI engagements into construction
- Strengthen relationships with Defence primes and delivery agencies

Project Profile

HMAS Stirling Substation Integration

Capability: Industrial Automation and Electrical

Value: $6.0 million

Location: Garden Island, WA

Saunders was engaged to deliver three successive projects at HMAS Stirling, integrating a total of 61 substations across the naval base.

Drawing on our specialist Automation and Electrical capability, the works modernised and optimised the site's critical power infrastructure, improving efficiency, reliability and operational resilience.

With a combined value of approximately $6 million, these projects demonstrate Saunders' capacity to deliver complex, high-security works in live Defence environments while meeting stringent technical and security requirements.

Water

Expanding capability and market presence through strategic growth.

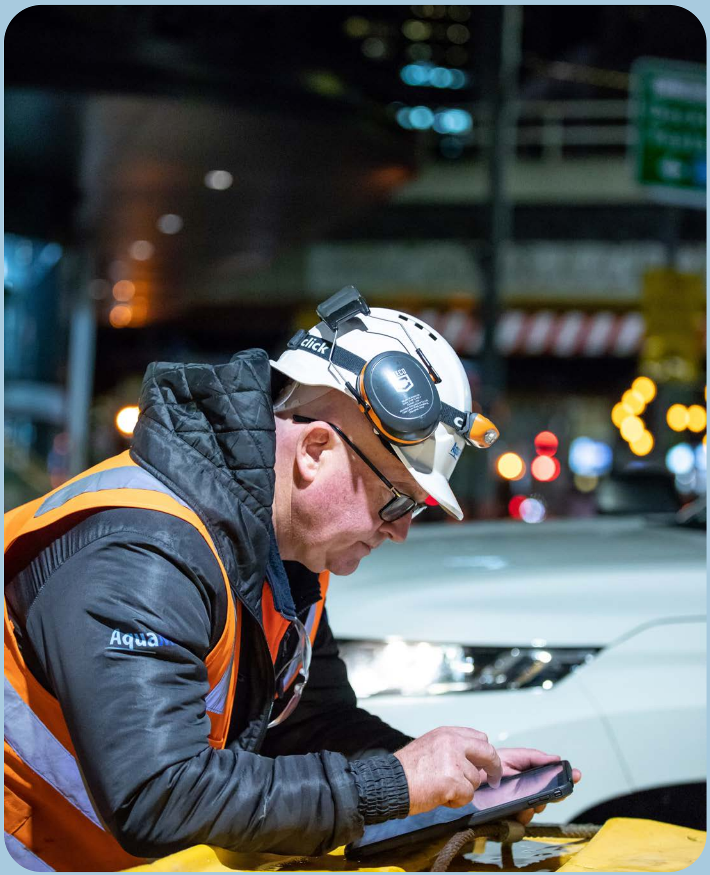
FY2025 Highlights

Strengthened water delivery capability through acquisition of Aqua Metro

Expanded project footprint across NSW and Victoria

Maintained strong relationships with Sydney Water Delivery Partners

Delivered sustaining capital and upgrade works across live assets



Water

The water sector remains a strong focus for Saunders, with solid fundamentals driven by population growth, ageing infrastructure and increasing demand for sustainable water networks. While several project awards were deferred into FY2026, the outlook remains highly favourable - particularly across Victoria and NSW.

Strategic expansion through Aqua Metro

In July 2025, Saunders announced the acquisition of Aqua Metro, a leading Victorian water infrastructure delivery partner with a strong track record across capital works, asset renewals and long-term utility frameworks. With more than 300 completed projects and an order book exceeding $400 million, Aqua Metro significantly enhances Saunders' national capability in water and wastewater delivery.

The acquisition expands our presence on four major utility panels and strengthens our annuity-style revenue base through multi-year contracts. With an experienced team of over 100 professionals and a robust pipeline of work extending through FY2031, Aqua Metro positions Saunders as a top-tier provider of end-to-end water infrastructure solutions.

Market momentum in NSW and Victoria

Throughout FY2025, we continue to support councils and utilities across both sustaining capital works and new infrastructure. We maintained strong collaboration with Sydney Water Delivery Partners and secured new projects in Victoria, further expanding our geographic footprint. Our multidisciplinary offering supports reliable delivery in live environments and across asset lifecycles.

With several major tenders expected in FY2026 and strong alignment to government investment priorities, we anticipate continued revenue growth in this sector.

Looking Ahead to FY2026

- Pursue new tenders across NSW and Victoria
- Leverage Aqua Metro capability to expand delivery and frameworks
- Grow presence in long-term utility infrastructure programs
- Scale delivery of greenfield and lifecycle-focused infrastructure

Project Profile

Siddeley Street

Capability: Civil and Water Infrastructure

Value: $68.1 million

Location: Melbourne, VIC

Saunder Aqua Metro is delivering a critical infrastructure upgrade on behalf of Greater Western Water to support Melbourne's growing population and ensure long-term reliability of sewerage services in the CBD.

The project involves constructing approximately 750 metres of new sewer pipeline beneath Flinders Lane, Spencer Street, Siddeley Street and Wurundjeri Way and the construction of five new shafts (8-12m deep) along the new sewer alignment.

Once complete, the new infrastructure will double the capacity of the existing sewer network - originally built in the late 1800s - and futureproof the system for decades to come. This upgrade is part of a broader investment in sustainable, resilient water infrastructure for inner Melbourne.

Energy

Trusted delivery partner for brownfield upgrades and energy transition projects

FY2025 Highlights

Delivered brownfield upgrades and shutdowns across key terminals

Renewed MSAs and frameworks with ExxonMobil, Ampol, Viva and APA

Expanded ECI participation and engineering-led delivery

Maintained safe operations within live energy environments

Energy

Saunders continues to deliver critical infrastructure for Australia's fuel and energy providers, with long-standing relationships built on consistent performance and multidisciplinary capability. Market conditions remained favourable throughout FY2025, with brownfield and sustaining capital works ongoing across the sector.

Strengthening long-term relationships

We continued to deliver for clients including Viva Energy, Ampol, ExxonMobil and Coogee Chemicals - many of whom we've partnered with for over 50 years. Several key Master Services Agreements (MSAs) and frameworks were renewed or extended in H2 FY2025, underpinning both annuity revenue and major project delivery.

Our in-house design and engineering teams play a vital role in securing early involvement. Clients are increasingly engaging us through early contractor involvement (ECI) models to optimise scope, reduce capital expenditure and mitigate delivery risk.

Responding to market shifts

While bp's decision to suspend the Kwinana clean fuels project in early 2025 impacted FY2025 earnings, we remain committed to supporting Australia's energy transition - including emerging opportunities in hydrogen, biofuels and storage.

Looking Ahead to FY2026

- Continue sustaining capital and brownfield delivery across networks
- Pursue transition-aligned projects in hydrogen, storage and renewables
- Extend client frameworks and annuity-style delivery agreements
- Deepen design and delivery integration through ECI

Project Profile

Mobil Altona

Capability: Industrial Asset Services

Value: $50.0 million

Location: Altona, VIC

We are continuing delivery of our longer, cornerstone contracts, including our five-year maintenance program for Mobil in Altona.

Saunders is at the forefront of providing asset services, with a specialised focus on inspection, repair, modification and maintenance solutions. Our expertise lies in reviving and revitalising our clients' assets, enhancing their condition and availability, right through the asset's lifecycle to decommission.

These multi-year engagements underpin our annuity-style revenue model and reflect the trust placed in Saunders to deliver consistent, long-term value.

Resources & Industrials

Delivering safe, scalable solutions for Australia's industrial economy.

FY2025 Highlights

Secured $31.5 million contact at Kalgoorlie Consolidated Gold Mine for Northern Star Resources

Secured $27.0 million EPC contract with Primero in Kalgoorlie

Delivered multidisciplinary works across shutdowns and upgrades

Maintained strong performance in high-risk industrial environments

Strengthened SMP capability and regional delivery footprint

Resources & Industrials

Saunders continues to provide reliable infrastructure services across the resources and industrials sectors, supporting clients with multidisciplinary delivery capability across shutdowns, upgrades and greenfield projects. While revenue is expected to remain stable in FY2026, the medium-term outlook is positive - particularly in the gold sector, where capital investment remains strong.

Strengthening capability through key project wins

In May 2025, Saunders secured a $27.0 million contract with Primero to deliver a major industrial engineering procurement construction (EPC) project in Kalgoorlie, Western Australia. This win reinforces our track record for complex, high-risk delivery in remote environments and highlights the strength of our structural, mechanical and piping (SMP) expertise.

Our disciplined approach to safety, planning and execution continues to position us as a trusted partner to Tier 1 contractors and industrial asset owners across mining, processing and storage sectors.

Growth outlook across gold and emerging markets

With increased investment across the gold sector and growing demand for battery minerals and critical infrastructure, Saunders is well placed to support clients with integrated services across engineering, construction and lifecycle maintenance. Our ability to mobilise quickly, work safely in live environments and deliver to tight timeframes is key to maintaining our strong position in the market.

Looking Ahead to FY2026

- Maintain stable revenue across shutdown and sustaining capital programs
- Pursue EPC opportunities in gold and battery minerals sectors
- Expand long-term partnerships with industrial asset owners and Tier 1s
- Grow lifecycle maintenance and upgrade service offerings

Project Profile

Kalgoorlie Consolidated Gold Mines (KCGM) CIL4 Tanks Replacement

Capability: Bulk Fluid Storage, Structural, Mechanical and Piping

Value: $27.0 million

Location: Kalgoorlie, WA

Saunders has been awarded a $27.0 million contract by Primero for the construction of eight carbon-in-leach (CIL) tanks, seven supporting process tanks and interconnecting launders at Northern Star Resources' Fimiston Processing Plant in Kalgoorlie, WA.

This package supports the plant's increased throughput and marks Saunders' second major project at the site, following a $31.5 million contract awarded in May 2024.

The project further strengthens Saunders' presence in Western Australia's Resources & Industrials sector and highlights our capability to deliver complex tank and process infrastructure in live mining environments.

Governance, Financial Report and Corporate Information

Directors' Report

The Directors present their report on Saunders International Limited ("Saunders" or the "Group") for the financial year ended 30 June 2025 and the Independent Audit Report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors Report as follows:

Directors

The Directors as at the date of this Directors' Report are:

- Mark Benson
- Greg Fletcher
- Nicholas Yates (appointed Chair 1 July 2023)
- Brendan York (resigned 11 June 2025)

Unless stated otherwise the above-named directors held office during the whole of the financial year and from the end of the financial year up to the date of this report.

Company Secretary

Alex Dunne has been appointed Co-Company Secretary from 28 August 2024, replacing Brett Gregory. Alex is a Chartered Accountant and holds an MBA from University of Technology, Sydney.

Principal Activities

Saunders is a multidisciplinary Australian company providing engineering, construction and industrial asset services. During the financial year, the Group's principal activities included delivering liquid storage and transfer, structural, mechanical and piping (SMP), industrial automation and electrical, civil infrastructure and industrial asset services to leading organisations across Australia and the Pacific region. These activities were performed across the key markets of Defence & Government, Water, Energy and Resources & Industrials.

Review of Operations

A summary of the revenues and results is as follows	2025 $'000	2024 $'000
Revenue	214,523	216,079
Profit before income tax	3,182	14,604
Income tax expense	(1,105)	(5,241)
Statutory profit attributable to the members of Saunders International Limited	2,077	9,363
Addback: Impact of expenses relating to acquisitions and integration	1,166	1,911
Non-statutory adjusted profit attributable to the members of Saunders International Limited	3,243	11,274

Reconciliation of profit before income tax to EBITDA (unaudited)		
Profit before income tax	3,182	14,604
Add:		
Net interest expense	916	536
Depreciation of owned and hire purchase assets	1,745	2,315
Depreciation of right of use assets	2,291	1,977
Statutory EBITDA	8,134	19,432
Addback: Total impact of expenses relating to acquisitions and integration	1,166	1,911
Non-statutory adjusted EBITDA	9,300	21,343

Saunders' revenue for the year was $214.5 million, a decrease of $1.6 million or 0.7% (2024: $216.1 million). The adjusted net profit after tax was $2.1 million, a decrease of $7.3 million or 77.9% (2024: $9.4 million adjusted), adjusted EBITDA was $9.3 million, a decrease of $12.0 million or 56.3% (2024: $21.3 million adjusted).

Adjusted earnings per share for the year were 2.68 cents (2024: 9.96 cents adjusted).

Saunders has strengthened its financial position at year end with net assets of $52.3 million, an increase of $1.0 million or 2.0% (2024: $51.3 million). Cash improved to $22.1 million on 30 June 2025, an increase of $2.3 million or 11.5% (2024: $19.8 million).

Outlook

The Board is progressing the appointment of a new Managing Director following Mark Benson's decision to step down at the end of the calendar year. The process is well advanced and we expect to make an announcement in due course.

As at 30 June 2025, Saunders' standalone order book was approximately $169 million (31 July 2024: $189.3 million). Including the recent acquisition of Aqua Metro, the Group's combined order book is $529 million.

The pipeline of opportunities moving into FY2026 has grown significantly. As at 30 June 2025, the total pipeline, including Aqua Metro, was approximately $4.0 billion, up from $2.0 billion at 31 July 2024.

This growth reflects the Group's expanded and diversified capabilities and strengthened market position, particularly in the Water sector following the Aqua Metro acquisition.

With a strong customer base and a materially expanded pipeline, strengthened by the acquisition of Aqua Metro, Saunders is well-positioned to capitalise on these opportunities. Tender activity remains high, although we anticipate that the current external market challenges, particularly in Defence, will persist into FY2026.

The Group will continue to leverage its multidisciplinary capabilities across key growth sectors:

Defence & Government

driven by anticipated acceleration in fuel infrastructure resilience investment

Water

underpinned by ongoing national investment in asset renewal and expansion programs

Energy

supported by continued focus on domestic fuel security and energy transition

Resources & Industrials

strengthened by the demand in the gold sector

Employees

The Group's total permanent workforce employed by Saunders was 484 at 30 June 2025, (2024: 505). Saunders remains focused on investing in people and capability to ensure the achievement of our vision and strategic objectives.

The directors wish to take this opportunity to thank the entire Saunders Team for their continued dedication and delivering the financial results through a challenging year.

Safety & Environment

As our business continues to grow, we remain focused on proactive safety leadership, risk ownership at all levels and continuous improvement in systems and behaviours.

In FY2025, we achieved another Lost Time Injury free year. We established a new Total Recordable Injury Frequency Rate (TRIFR[12]) baseline post integration of Piping Solutions and this year have been able to reduce the combined TRIFR[12] by 34% to 4.91.

With alignment now in place, we're focused on strengthening our safety culture, embedding consistent systems and lifting performance across the Group.

In FY2025, we embedded our first Reflect Reconciliation Action Plan (RAP), enhanced modern slavery governance and continued strengthening our ESG reporting practices. Looking ahead, we are progressing toward an Innovate RAP, deepening engagement with First Nations stakeholders and formalising our Environmental Sustainability Plan to align with emerging regulatory requirements. These initiatives reinforce our commitment to ethical, responsible business and reflect the values that underpin our long-term success.

Earnings Per Share

The basic and diluted earnings per share is calculated using the weighted average number of shares. This shows the statutory basic earnings per share of 1.72 cents (2024: 8.27 cents) and statutory diluted earnings per share of 1.69 cents (2024: 8.16 cents). After adjusting the statutory net profit after tax for the impact of acquisition and integration related expenses, the adjusted basic earnings per share improves to 2.68 cents (2024: 9.96 cents adjusted) and the adjusted diluted earnings per share improves to 2.64 cents (2024: 9.83 cents adjusted).

Key Highlights

Our strategy is clear: deliver safely, exceed client expectations, grow recurring revenue and invest in our people, systems and partnerships to build a better future – together.

Aqua Metro

The announced acquisition of Aqua Metro in July 2025 will expand our national water infrastructure capability and access to long-term utility contracts.

Zero LTI

Saunders recorded zero Lost Time Injuries in FY2025 and improved TRIFR[12] to 4.91, while maintaining our Office of the Federal Safety Commissioner Low Risk rating and ISO certifications.

Inclusion

In FY2025, Saunders launched a Graduate Program, promoted diversity and wellbeing and celebrated long-serving team members - reflecting our commitment to inclusion and capability.

eNPS 34

A company-wide engagement survey achieved 65% participation and delivered an Net Promoter Score (NPS) of 34, nearly double the construction sector average.

Safety

'Together for Safety' and 'Together for Quality' are embedding accountability and driving improvements across safety, standards and project delivery.

RAP

We completed our first Reflect RAP, strengthened ESG reporting foundations and increased supply chain transparency. Progressing to an Innovate RAP in FY2026, we are deepening First Nations engagement and reinforcing sustainability as a core business focus.

Directors Attendance at Meetings

Attendance at Meetings

The following table sets out the number of meetings in the year to 30 June 2025, held during the period that the individual was a director and the number of meetings attended.

	Directors Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Nicholas Yates	9	9	2	2	1	1
Mark Benson	9	9	2	2	1	1
Greg Fletcher	9	9	2	2	1	1
Brendan York	9	8	2	2	1	1

Individual Directors and the Board also hold regular calls with the Managing Director and Chief Executive Officer and other executives to stay abreast of current matters between meetings. These meetings, for example, may consider material transactions or projects and are held to support the decision-making of the full Board in relation to those matters. These update calls and meetings are not included in the above table.

Dividend

The Board declared on 20 August 2025 that there will be a final dividend payable of 0.25 cents per share fully franked, resulting in total dividends for the financial year of 2.25 cents per share (FY2024: 4.25 cents).

The Board has previously decided to deactivate the (DRP) Dividend reinvestment plan and it will not be offered in this dividend payment.

Information on Directors

Information on the directors who held office during and since the end of the financial year is as follows:

Directors	Qualifications, Experience and Special Responsibilities	Relevant Interest in Shares of Saunders International Limited at the date of this report
Nicholas Yates	Non-Executive Chair from 1 July 2023 Member of the Audit & Risk Committee, Member of the Remuneration Committee and Director since 16 September 2020 Over 35 years of relevant industry experience Bachelor of Engineering (BE) Other listed company directorships in the last 3 years • Chairman - BSA Limited	**35,211**
Mark Benson	Managing Director from 5 October 2015 Director since 10 August 2015 AdvDipMan, AdvDipProjMgt, GAICD Over 30 years of relevant industry experience	**3,897,163**
Greg Fletcher	Non-Executive Director Chairman of the Audit & Risk Committee and Member of the Remuneration Committee Director since 1 July 2015 Bachelor of Commerce, Chartered Accountant • Chair of Audit and Risk Committees at the Western Sydney Local Health District, Bradfield Development Authority and Advanced Manufacturing Readiness Facility. • Member of the NSW Police Force and the NSW Health Infrastructure Audit & Risk Committees Other listed company directorships: • Co-Vice Chairman, Lead Independent Director, Audit and Risk Committee Chair and Remuneration and Nomination Committee Member at Yancoal Australia Limited	**5,599**
Brendan York	Non-Executive Director Chairman of the Remuneration Committee and Member of the Audit & Risk Committee since 24 July 2023 Other listed company directorships in the 3 years immediately before the end of the financial year: • Big River Industries Limited (BRI) • BSA Limited (BSA) • BTC Health Limited (BTC) • Wingara AG Limited (WNR) • MaxiParts Limited (MXI) Other current appointments: • MitchCap Pty Limited (Non-Executive Director) • NAOS Asset Management Limited (Portfolio Manager) Resigned as non-executive Director 11 June 2025	**Nil**

Audited Remuneration Report

This Remuneration Report, which forms part of the Directors' Report, contains information about the remuneration of Saunders International Limited's directors and its key management personnel for the financial year ended 30 June 2025. The Remuneration Report sets out, in accordance with section 300A of the Corporations Act: (i) the Group's governance relating to remuneration, (ii) the policy for determining the nature and amount or value of remuneration of key management personnel; (iii) the various components or framework of that remuneration; (iv) the prescribed details relating to the amount or value paid to key management personnel, as well as a description of any performance conditions; (v) the relationship between the policy and the performance of the Group.

Key management personnel are the non-executive directors, the executive directors and employees who have authority and responsibility for planning, directing and controlling the activities of the entity.

Remuneration Policy and Governance

The Board of Directors, through the Remuneration Committee, review and approve remuneration of the non-executive directors, the managing director and key management personnel. Remuneration policy is determined by the needs of the Group and the individual talents, capabilities and experience of relevant executives and the need to attract and retain talent are considered important factors in assessing remuneration.

Non-Executive Directors

Non-executive directors are paid fees and, where applicable, compulsory superannuation contributions. The current fees are based on the level of fees for comparable listed companies and were reviewed during the year. The non-executive directors cannot be granted options and cannot participate in the Employee Share Plan or the Performance Rights Plan.

Managing Director

The managing director is remunerated on a salary package basis, which is a component of a formal employment contract. The salary package is considered to be appropriate for the experience and expertise needed for the position and is comparable to other similar sized companies and operational areas of larger companies. The salary package contains a fixed component and a variable short term incentive (STI). The STI bonus is based on an annual performance appraisal conducted by the Remuneration Committee of the Board of Directors. The performance is measured against a range of objectives set annually by the Board. The important objectives are safety, quality, personnel development, quantitative Group financial performance and certain other (subjective and objective) criteria.

The managing director has also participated in the Employee Share Plan and the Performance Rights Plan. Mark Benson holds 69,100 options within the Employee Share Plan and 1,179,030 performance rights under the Saunders Performance Rights Plan.

Following the Managing Directors announced resignation, no additional accruals or changes to his long-term or short-term incentive have been included in the remuneration report in relation to his departure. The information presented in based on pre-existing arrangements.

Key Management Personnel

Key management personnel are remunerated based on a number of factors, including experience, qualifications, job level and over performance of the company and individual. The remuneration includes a variable STI, capped at 0%-60% of salary component. This incentive rewards the key management personnel achieving: financial and operational key performance indicators; progress with the delivery of the Group's business plan and strategic objectives; and specific goals in relation to the development of people within the Group and its profile within the business community.

Examples of key performance indicators measured to assess STI for the Key Management Personnel and Managing Director include:

- Achievement of target work in hand and target project pipeline levels at 30 June of each year to ensure the sustainability of revenue in subsequent years;
- Targets set in relation to the achievement of the Group's business plan such as the diversification of the business and entry into new markets; and
- Targets set for safety performance based on TRIFR

These indicators form approximately 65% of assessable STI with the remaining 35% focused on the Financial Performance of the Group, EBIT and Cash at hand.

Key management personnel, as disclosed on page 43 of the remuneration report, have participated in the Employee Share Plan.

The Managing Director announced his intended resignation on 13 June 2025. The information disclosed in the remuneration report is based on existing arrangements.

Long-Term Incentive and the Performance Rights Plan

The Board of Directors have considered the issue of long-term incentive as a component of the remuneration of executive directors and key management personnel.

Saunders operates two Long-Term Incentive ("LTI") plans, which are described below:

- Employee Share Plan
- Performance Rights Plan

As of the date of this report a number of executive officers own shares in the Group or hold interests via the Employee Share Plan and the Performance Rights Plan. The breadth and depth of share ownership fosters an alignment of objectives between shareholders and directors and management of the Group.

Audited Remuneration Report (Cont.)

Employee Share Plan

Under the Employee Share Plan (ESP), the Group provides interest-free loans to employees to acquire shares in Saunders International Limited, at a specified price per share. The loans are secured by the shares acquired by the eligible employees. The shares will vest and the loans will be repaid upon a specified anniversary of the issue of the shares. If an eligible employee's employment with the Group is terminated prior to the specified anniversary of the issue of the shares, the shares will be forfeited and the Group will be entitled to the total amount raised pursuant to the divestment of the shares. The shares are accounted for as substance options.

Each employee share option converts into one ordinary share of Saunders International Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry a right to dividends but not voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the year, no options were granted under the ESP. In addition, employees hold an interest in 448,043 shares under the ESP.

Performance Rights Plan

The Saunders International Rights Plan was approved by the Board and approved by shareholders at the Annual General Meeting in November 2024.

The features of the long-term incentive comprise the grant of equity in the form of Performance Rights which vest over a three-year period. The maximum number of Performance Rights will vest only if stretch objectives for each tranche are achieved. Half of the Performance Rights will vest if the on- target objectives are achieved. The end of the measurement period for a tranche of Performance Rights can be extended by up to two years at the Board's discretion if significantly less than target vesting would have been achieved for that tranche at the end of the measurement period, adjusted for the pro-rata increase in hurdles to take into account the additional time. The two vesting conditions that will be used will be relative total shareholder return (RTSR) and normalised earnings per share growth (NEPSG).

RTSR will be measured by comparing the Group's TSR over the measurement period with the TSRs achieved by companies that are in a comparator group and remain listed on the ASX. TSR is the percentage return generated from an investment in a Group's shares over the measurement period assuming that dividends are reinvested into the Group's shares.

NEPSG will be assessed as the compound annual growth rate (CAGR) reflected in the increase in adjusted earnings per share (EPS) from the base year. Adjusted EPS will exclude specific one off for abnormal items by the Board at its discretion.

The vesting scale applied to the tranches are subject to objective measurement of Saunders performing relative to the comparator group and NEPSG, as appropriate, with the vesting scale ranging continuously from very poor performance (CAGR of 5%), to on-target performance (CAGR of 10%), to very good performance (CAGR of 15%).

The long-term incentive is aimed at aligning remuneration with the longer-term performance of the Group and retaining the long-term services of the key management personnel.

During the year 564,940 Performance Rights were granted to the CEO under the LTI Plan. The aggregate fair value of the Performance Rights granted is $284,081 as set out on page 43. A further 114,348 Performance rights were granted to the CFO under the LTI Plan. The aggregate fair value of the Performance Rights granted to the CFO is $57,500 as set out on page 43. Performance Rights granted to other employees during the year totaled 893,736.

Key Terms of Employment Contracts

The Group entered into an executive service agreement with Mark Benson as Managing Director and Chief Executive Officer effective 5 October 2015. The remuneration component of the agreement is in line with relevant industry comparables. The variable component (Performance Bonus) can range anywhere between 0% to 60% of the fixed component based on performance measured against a range of key performance indicators and targets, set annually by the directors. The attainment of realistically achievable performance and targets on a weighted average measure would result in a bonus of 30% of the fixed component and bonus above and below this would result from overall superior or poorer performance.

The executive service agreement contains the following key terms.

Annual Salary	Total fixed remuneration for the Managing Director and Chief Executive Officer of $628,100 (excluding superannuation contributions)
Performance Bonus	Variable, ranging from 0% to 60% of total fixed annual remuneration, based on performance measured against a range of key performance indicators
Long Term Incentive	Variable, ranging from 0% to 60% of total fixed annual remuneration, based on performance measured against a range of key performance indicators
Notice Period	Six months' notice

Audited Remuneration Report (Cont.)

Relationship Between Remuneration Policy and Company Performance

The remuneration of executive officers contains an annual cash bonus. The total cash bonus paid in a year is discretionary and is closely related to and determined by the current financial performance levels of the Group.

Executive officers' remuneration is aligned with the long-term Group performance via the shareholdings that these individuals retain in the Group.

Executive officers are employed under ongoing employment arrangements. Their employment agreements include employee or employer initiated notice periods between three to six months. This is considered appropriate because they have many years of service with the Group and are shareholders of the company.

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2025:

	30 June 2025 $'000	30 June 2024 $'000	30 June 2023 $'000	30 June 2022 $'000	30 June 2021 $'000
Revenue	214,523	216,079	200,886	129,955	101,242
Net profit/loss before income tax	3,182	14,604	14,151	9,379	8,085
Net profit/loss after income tax	2,077	9,363	9,491	6,551	5,542

	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Share price at end of year	0.74	0.81	1.12	1.02	0.79
Interim dividend (cents per share)	2.00	2.00	2.00	1.00	0.75
Final dividend (cents per share)	0.25	2.25	2.00	2.00	1.75
Basic earnings/(losses) per share	1.72	8.27	8.84	6.24	5.36
Diluted earnings / (losses) per share	1.69	8.16	8.71	6.07	5.21

All dividends above were franked to 100% at 30% corporate tax rate.

Audited Remuneration Report (Cont.)

Particulars of Directors and Executive Officers interests, including interests under the ESP and Performance Rights Plan during the year ended 30 June 2025 were:

	Fully paid ordinary shares 2024	Fully paid ordinary shares issued / purchased / (disposed) during 2025	Fully paid ordinary shares at end 2025	Share options 2024	Share options vested / lapsed during 2025	Share options granted during 2025	Share options at end 2025	Performance rights at end 2024	Performance rights granted during 2025	Performance rights vested / lapsed during 2025	Performance rights at end 2025
Non-executive Directors											
Nicholas Yates	35,211	-	35,211	-	-	-	-	-	-	-	-
Greg Fletcher	5,599	-	5,599	-	-	-	-	-	-	-	-
Former Non-executive Directors											
Brendan York[1]	-	-	-	-	-	-	-	-	-	-	-
TOTAL	40,810	-	40,810	-	-	-	-	-	-	-	-
Executive Officers											
Mark Benson[2]	3,673,303	223,860	3,897,163	169,100	-	-	169,100	924,146	564,940	(310,056)	1,179,030
Alex Dunne[3]	-	-	-	-	-	-	-	-	114,348	-	114,348
Former Executive Officers											
Brett Gregory[4]	44,504	(44,504)	-	-	-	-	-	160,434	-	(160,434)	-
TOTAL	3,717,807	179,356	3,897,163	169,100	-	-	169,100	1,084,580	679,288	(470,490)	1,293,378
GRAND TOTAL	3,758,617	179,356	3,937,973	169,100	-	-	169,100	1,084,580	679,288	(470,490)	1,293,378

1. Resigned as non-executive Director 11 June 2025
2 Managing Director & Chief Executive Officer
3 Appointed as Chief Financial Officer and Company Secretary on 26 August 2024
4 Resigned as Chief Financial Officer and Company Secretary on 28 August 2024

The following table summarises the value of options and performance rights granted during the financial year to non-executive directors and key management personnel as part of their remuneration:

	Share options			Performance Rights		
	Granted during 2025	Forfeited during 2025	Vested during 2025	Granted during 2025	Forfeited / (lapsed) during 2025	Vested during 2025
2025	Fair Value $	Fair Value $	Fair Value $	Fair Value $	Fair Value $	Fair Value $
Non-executive Directors						
Nicholas Yates	-	-	-	-	-	-
Greg Fletcher	-	-	-	-	-	-
Former Non-executive Directors						
Brendan York[1]	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Executive Officers						
Mark Benson[2]	-	-	69,100	284,081	(60,726)	157,712
Alexander Dunne[3]	-	-	-	57,500	-	-
Former Executive Officers						
Brett Gregory[4]	-	-	-	-	147,599	-
TOTAL	-	-	-	-	-	-
GRAND TOTAL	-	-	69,100	341,581	86,873	157,712

1 Resigned as non-executive Director 11 June 2025
2 Managing Director & Chief Executive Officer
3 Appointed as Chief Financial Officer and Company Secretary on 26 August 2024
4 Resigned as Chief Financial Officer and Company Secretary on 28 August 2024

The value of the options and rights granted to non-executive directors and key management personnel as part of their remuneration is calculated as at the grant date using a Black-Scholes-Merton pricing model. The amounts disclosed as part of remuneration for the financial year, as disclosed above, have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date. Further details are set out in Note 12.

Audited Remuneration Report (Cont.)

Remuneration of Executive Officers and Key Management Personnel

2025	Short-term Benefits: Cash Fees/ Salary	Short-term Benefits: Cash Bonus[5]	Short-term Benefits: Non-monetary Benefit[6]	Post-employment Benefits - Superannuation	Long-term employee benefits[7]: Cash settled share-based payments	Long-term employee benefits[7]: Equity settled share-based payments	Total	Percentage of remuneration related to performance
	$	$	$	$	$	$	$	%
Non-executive Directors								
Nicholas Yates	120,588	-	-	13,868	-	-	134,456	-
Greg Fletcher	78,846	-	-	9,067	-	-	87,913	-
Former Non-executive Directors								
Brendan York[1]	83,356	-	-	-	-	-	83,356	
TOTAL	282,790	-	-	22,935	-	-	305,725	
Executive Officers								
Mark Benson[2]	628,100	237,147	-	29,989	-	123,784	1,019,020	35%
Alex Dunne[3]	298,397	96,000	-	25,774	-	4,370	424,541	24%
Former Executive Officers								
Brett Gregory[4]	94,802	-	-	4,989	-	-	99,791	-
TOTAL	1,021,299	333,147	-	60,752	-	128,154	1,543,352	
Grand total	1,304,089	333,147	-	83,687	-	128,154	1,849,077	

1 Resigned as non-executive Director 11 June 2025
2 Managing Director & Chief Executive Officer
3 Appointed as Chief Financial Officer and Company Secretary on 26 August 2024
4 Resigned as Chief Financial Officer and Company Secretary on 28 August 2024
5 Cash bonuses are disclosed on an accruals basis and represent the amount earned in respect of the current financial year. Cash bonuses are discretionary, are determined by the Board in August of each year and exclude equity settled share- based payments
6 Non-monetary benefits relate to motor vehicle or other expenses packaged within the Executive Officer's salary package
7 Share-based long-term employee benefits reflect the accounting expense on a fair value basis.

2024	Short-term Benefits: Cash Fees/ Salary	Short-term Benefits: Cash Bonus[5]	Short-term Benefits: Non-monetary Benefit[6]	Post-employment Benefits - Superannuation	Long-term employee benefits[7]: Cash settled share-based payments	Long-term employee benefits[7]: Equity settled share-based payments	Total	Percentage of remuneration related to performance
	$	$	$	$	$	$	$	%
Non-executive Directors								
Nicholas Yates	117,647	-	-	12,941	-	-	130,588	-
Greg Fletcher	76,923	-	-	8,462	-	-	85,385	-
Brendan York[1]	72,322	-	-	7,955	-	-	80,277	-
Former Non-executive Directors								
Timothy Burnett[2]	32,051	-	-	3,526	-	-	35,577	-
TOTAL	298,943	-	-	32,884	-	-	331,827	-
Executive Officers								
Mark Benson[3]	614,895	341,129	3,610	27,500	-	368,460	1,355,594	52.3%
Brett Gregory[4]	464,500	163,455	-	25,208	2,734	77,662	733,559	32.9%
TOTAL	1,079,395	504,584	3,610	52,708	2,734	446,122	2,089,153	
Grand total	1,378,338	504,584	3,610	85,592	2,734	446,122	2,420,980	

1 Appointed as Non-executive Director on 24 July 2023
2 Resigned as Non-executive Director on 21 November 2023
3 Managing Director & Chief Executive Officer. Resigned on 28 August 2024.
4 Appointed Chief Financial Officer 9 January 2023
5 Cash bonuses are disclosed on an accruals basis and represent the amount earned in respect of the current financial year. Cash bonuses are discretionary, are determined by the Board in August of each year and exclude equity settled share-based payments. Mark Benson's 2024 bonus includes $71,841 that was paid in FY24 but which related to FY23 and Brett Gregory's 2024 bonus includes $11,888 that was paid in FY24but which related to FY23, as the decision to award these additional incentives was made after the 30 June 2023 Annual Report was approved.
6 Non-monetary benefits relate to motor vehicle or other expenses packaged within the Executive Officer's salary package
7 Share-based long-term employee benefits reflect the accounting expense on a fair value basis.

Audited Remuneration Report (Cont.)

No director or senior management person appointed during the year received a payment as part of his or her remuneration for agreeing to hold the position. Non-executive directors have no entitlement to a cash bonus or non-monetary benefits.

The key management personnel are the Executive Officers of the Group. The value of the options and rights granted to key management personnel as part of their remuneration is calculated as at the grant date using a Black-Scholes-Merton pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

Short Term Incentive (STI) Performance Outcomes

2025

Name	Actual STI[1]	Actual STI % of TFR	Maximum STI	% of maximum payable	% of maximum forfeited
Mark Benson	$237,147	36%	395,244	60%	40%
Alex Dunne	$96,000	24%	160,000	60%	40%

2024

Name	Actual STI[1]	Actual STI % of TFR	Maximum STI	% of maximum payable	% of maximum forfeited
Mark Benson	$269,288	41.1%	393,360	68.5%	31.5%
Brett Gregory	$151,567	30.8%	221,400	68.5%	31.5%

1 Actual STI related to assessed STI for financial year. Refer to table on page 44 for total STI paid or payable for the year including adjustments from prior year

Subsequent Events

On 15 July 2025, Saunders announced the acquisition of Aqua Metro which will expand our national water infrastructure capability and access to long-term utility contracts. It enhances our end-to-end services, supports revenue diversification and strengthens our presence in critical growth markets.

In August 2025, Saunders entered into an agreement for the sale of a property, for an amount of $4 million. Other than the dividends described in Note 15 of the Consolidated Financial Report on page 82 there have been no other matters or circumstances occurring subsequent to the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental Regulation And Performance

Saunders is subject to a range of State and Federal environmental regulations in Australia. In line with our Safety, Health and Quality objectives, Saunders strives to continually improve its environmental performance.

The Group recognises the material environmental and social risks that are relevant to its activities and takes action to manage those risks. Discussion across a range of sustainability related topics occur frequently at Board meetings.

During the financial year, Saunders was compliant with the reporting requirements under relevant legislation. There were no material incidents which required reporting.

Future Developments

Details around the Operating and Financial Review and Outlook are disclosed on pages 36 and 37.

Indemnification of Officers and Auditors

During the financial year, the Group paid a premium in respect of a contract insuring the directors, the company secretary and certain executive officers of the Group and its related bodies corporate against liabilities incurred in their capacity as such officers, to the extent permitted by the Corporations Act 2001. The insurance policy covers legal costs incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity, provided that such liabilities do not arise from conduct involving a wilful breach of duty or a contravention of the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability covered and the amount of the premium.

In accordance with section 199A of the Corporations Act, the Company has not indemnified its auditors against a liability incurred as an auditor of the Company. The Company has agreed to indemnify the auditors for reasonable legal costs incurred in defending proceedings for a liability incurred as an auditor, except to the extent prohibited by law.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services are outlined in Note 25 to the financial statements. During this financial year there was $32,423 paid or payable for non-audit services (2024: $62,398).

Auditor's Independence Declaration

The auditor's independence declaration is included on page 47 of the annual report.

Rounding Off of Amounts

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

This directors' report is signed in accordance with a resolution of directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the Directors:

Mark Benson
Director
Sydney, 20 August 2025

Nicholas Yates
Director
Sydney, 20 August 2025

Auditor’s Independence Declaration

Deloitte Touche Tohmatsu
ABN 74 490 121 060

8 Parramatta Square
Level 37, 10 Darcy Street
Parramatta NSW, 2150
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

20 August 2025

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

Dear Board Members

Auditor’s Independence Declaration to Saunders International Limited

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

As lead audit partner for the audit of the financial report of Saunders International Limited for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Vincent Snijders
Partner
Chartered Accountants

Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

8 Parramatta Square
Level 37, 10 Darcy Street
Parramatta NSW, 2150
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Saunders International 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory 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:

- Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- 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 APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 for 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 the scope of our audit responded to the Key Audit Matters
Recognition of construction revenue *Refer to Note 1(c) 'Construction Contracts', Note 1(i) 'Revenue', Note 2 'Critical accounting judgements and key sources of estimation uncertainty' and Note 3 'Revenue'.* As at 30 June 2025 the Group's revenue from construction contracts is $214.5 million. Construction revenue is recognised over time as performance obligations are fulfilled. Construction revenue is recognized by management after assessing all factors relevant to each contract, including specifically assessing the following as applicable: • Estimation of total contract revenue, including determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims; • Estimation of total contract revenue, including variable consideration, and costs including the estimation of cost contingencies; • Determination of stage of completion and measurement of progress towards satisfaction of performance obligations; • Estimation of project completion date and exposure to liquidated damages, if any. Recognition of construction revenue is a key audit matter due to the number and type of estimation events over the course of a contract life, as well as the unique nature of individual contract terms leading to complexity and significant judgment around revenue recognition from contracts.	Our procedures included, but were not limited to: • Evaluating management's processes and controls in respect of the recognition of construction revenue; • Selecting a sample of contracts for testing based on a number of quantitative and qualitative factors which may indicate that a greater level of judgement is required in recognising revenue and: ▪ agreed the contract terms to the initial contract price; ▪ tested contractual entitlements for changes, variations and claims recognised within contract revenue to supporting documentation, and by reference to the underlying contract, ▪ assessed management's basis for estimates of unapproved variations and claims brought to account within contract revenue, ▪ tested a sample of project costs incurred to date to supporting documentation; ▪ assessed the forecast costs to complete through discussion and challenge of project managers and finance personnel and agreed explanations to underlying evidence and supporting calculations; ▪ recalculated the percentage of completion based on costs incurred to date relative to total forecast costs; ▪ assessed appropriateness of contingency allowances within forecast costs; ▪ evaluated exposure to liquidated damages for late delivery of works; and ▪ challenged management's ability to forecast margins on contracts by analyzing the accuracy of previous margin forecasts to actual outcomes. • Assessing the adequacy of the relevant disclosures in the financial statements. We also assessed the appropriateness of the disclosures in Notes 1(c), 1(i), 2 and 3 to the financial statements.

Other Information

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 are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Deloitte.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 40 to 46 of the Directors' Report for the year ended 30 June 2025. In our opinion, the Remuneration Report of Saunders International 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Vincent Snijders
Partner
Chartered Accountants
Parramatta, 20 August 2025

Guided by our values, we work together with clients, partners and communities to create lasting impact through safe, high-quality delivery.

Directors’ Declaration

The directors declare that:

a. in the directors’ opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

b. in the directors’ opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;

c. in the directors’ opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group;

d. the directors have been given the declarations required by s.295A of the Corporations Act 2001; and

e. in the directors’ opinion, the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors:

Mark Benson
Managing Director
Sydney, 20 August 2025

Nicholas Yates
Director
Sydney, 20 August 2025

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2025

	Note	2025 $'000	2024 $'000
Revenue	3	214,523	216,079
Other Income	4	985	556
Materials and third-party costs charged to projects		(105,676)	(108,675)
Employee benefits expense	4	(91,510)	(77,050)
Depreciation expense	4	(4,036)	(4,292)
Motor vehicle expense		(498)	(413)
Occupancy expense		(668)	(1,191)
Finance costs	4	(916)	(653)
Other expenses		(9,022)	(9,757)
Profit before income tax		**3,182**	**14,604**
Income tax expenses	5	(1,105)	(5,241)
Profit for the year attributable to shareholders of the parent entity		**2,077**	**9,363**
Net other comprehensive expenses – exchange differences on translating foreign currency operations		(24)	(33)
Total comprehensive income attributable to shareholders of the parent entity		**2,053**	**9,330**
Basic (cents per share)	14	1.72	8.27
Diluted (cents per share	14	1.69	8.16

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 $'000	2024 $'000
Current assets			
Cash and cash equivalents	18	22,076	19,807
Trade and other receivables	6	19,448	23,009
Contract Assets	10	13,619	20,566
Current tax assets	5	835	-
Inventories		419	359
Other Current Assets		820	538
Assets held for sale	26	1,291	-
Total Current Assets		58,508	64,279
Non-current Assets			
Property, plant and equipment	7	13,664	14,809
Right-of-use assets	8	10,833	12,434
Intangible assets	20	17,392	17,392
Deferred tax assets	5	1,961	1,671
Trade receivables	6	428	2,614
Total Non-current Assets		44,278	48,920
Total Assets		102,786	113,199
Current Liabilities			
Trade and other payables	9	26,724	28,194
Contract liabilities	10	6,887	5,600
Provisions	11	6,174	6,230
Other financial liabilities	21	-	8,100
Lease liabilities	8	2,176	2,251
Current tax liability	5	-	1,478
Total Current Liabilities		41,961	51,853
Non-current Liabilities			
Lease liabilities	8	8,247	9,692
Provisions	11	262	359
Total Non-Current Liabilities		8,509	10,051
Total Liabilities		50,470	61,904
Net Assets		52,316	51,295
Equity			
Issued capital	12	35,064	30,918
Treasury shares under employee share plan	12	(931)	(1,230)
Share based payments reserve		467	799
Foreign currency translation reserve		(57)	(33)
Retained earnings	13	17,773	20,841
Total Equity		52,316	51,295

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2025

	Issued Capital $'000	Treasury Shares $'000	Share Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 30 June 2023	24,104	(1,475)	572	-	16,074	39,275
Balance at 1 July 2023	24,104	(1,475)	572	-	16,074	39,275
Profit and other comprehensive income	-	-	-	(33)	-	(33)
Profit for the year	-	-	-	-	9,363	9,363
Total profit and other comprehensive income	-	-	-	(33)	9,363	9,330
Transactions with owners in their capacity as owners						
Dividends paid	-	-	-	-	(4,596)	(4,596)
Shares issued during the year	6,500	-	-	-	-	6,500
Treasury Shares issued during the year	(129)	245	-	-	-	116
Shares vested during the year	443	-	(443)	-	-	-
Share-based payments expense	-	-	670	-	-	670
Total transactions with owners in their capacity as owners	6,814	245	227		(4,596)	2,690
Balance at 30 June 2024	30,918	(1,230)	799	(33)	20,841	51,295
Balance at 1 July 2024	30,918	(1,230)	799	(33)	20,841	51,295
Profit for the year	-	-	-	(24)	2,077	2,053
Total profit and other comprehensive income	-	-	-	(24)	2,077	2,053
Transactions with owners in their capacity as owners						
Dividends paid	-	-	-	-	(5,145)	(5,145)
Shares issued during the year (see Note 21)	3,775	-	-	-	-	3,775
Treasury Shares issued during the year	-	299	(299)	-	-	-
Shares vested during the year	371	-	(371)	-	-	-
Share-based payments expense	-	-	338	-	-	338
Total transactions with owners in their capacity as owners	4,146	299	(332)	-	(5,145)	(1,032)
Balance at 30 June 2025	35,064	(931)	467	(57)	17,773	52,316

The accompanying notes form part of these financial statements.

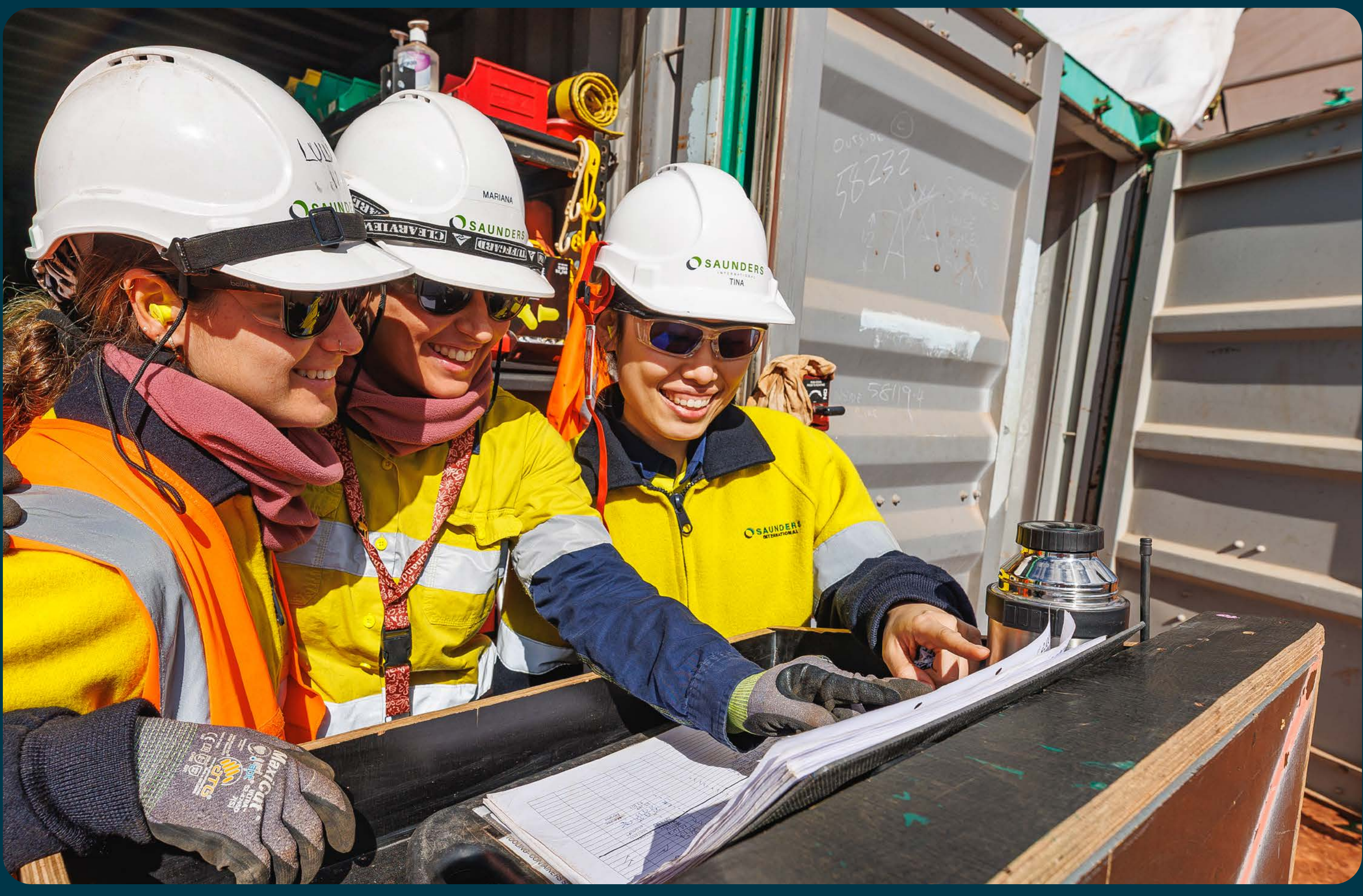
Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2025

	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers		229,570	223,255
Payments to suppliers and employees		(209,037)	(196,691)
Interest received		100	117
Finance costs paid		(1,022)	(653)
Income taxes paid		(3,690)	(6,707)
Net cash inflow / (outflow) from operating activities	18	15,921	19,321
Cash flows from investing activities			
Payments for plant and equipment		(2,205)	(2,648)
Proceeds from sale of assets		244	1,657
Payments for business acquisition	21	(4,325)	(4,500)
Net cash used in investing activities		(6,286)	(5,491)
Cash flows from financing activities			
Dividends paid		(5,145)	(4,596)
Proceeds from issue of shares		-	116
Proceeds from borrowings		2,299	1,974
Repayment of borrowings		(2,299)	(1,974)
Repayment of interest bearing liabilities		(2,221)	(2,379)
Net cash used in financing activities		(7,366)	(6,859)
Net increase / (decrease) in cash and cash equivalents		2,269	6,971
Cash and cash equivalents at the beginning of the financial year		19,807	12,833
Effects of exchange rate fluctuations on cash held		-	3
Cash and cash equivalents at the end of the financial year	18	22,076	19,807

The accompanying notes form part of these financial statements.

Collaboration, respect and excellence are at the heart of our culture, shaping how we work and the results we achieve.



Notes to the Financial Statements

1. Summary of Material Accounting Policies

Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

Accounting Standards include Australian Accounting Standards ('AAS'). Compliance with AAS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 20 August 2025.

Basis of Preparation

The financial statements for the Group have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

These financial statements have been prepared on a going concern basis.

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

(a) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

(b) Accounting Standard in issue but not yet effective

Certain Australian Accounting Standards and amendments to standards have been published that are not mandatory for reporting periods commencing 1 July 2024 and not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) Cash and Cash Equivalents

Cash of the Group comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Construction Contracts

The Group recognises a contract asset for any work performed as mentioned in contract and considered reimbursable by customer either directly or indirectly. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the amount invoiced exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue and the receipt of payment is always expected to be less than one year.

(e) Employee Benefits

A liability of the Group is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(f) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is recognised on temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

Notes to the Financial Statements (cont.)

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax Consolidation

The company and its wholly owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The company is the head entity within the tax-consolidated group. In addition to its own current and deferred tax amounts, the company also recognises the current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group.

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a 'separate taxpayer within group approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred, and does not tax effect transactions that have no tax consequences to the group. The same basis is used for tax allocation within the tax-consolidated group.

(g) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- 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 lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes to the Financial Statements (cont.)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right- of-use asset is impaired and accounts for any identified impairment loss, as described in Note 1(l).

(h) Plant and Equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Note 7 provides more detail. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Freehold Land is not depreciated.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	40 years
Plant and Equipment	3-20 years
Office Furniture and Equipment	3-7 years

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

(j) Revenue

Engineering and Construction revenue

The Group derives revenue from the long-term construction projects across Australia and the Pacific region. Contracts entered into may be for the construction of one or several inter-linked pieces of large infrastructure. These contracts include two performance obligations being:

I. The design and provision of plans for construction projects; and

II. The construction, site establishment, erection, commissioning and testing of construction projects.

Each tank is referred to as a project. Where contracts are entered into for the design and construction of several projects the total transaction price is allocated across each performance obligation based on stand-alone selling prices. The transaction price typically contains a fixed lump sum amount. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration, discussed below.

The performance obligations are fulfilled over time and as such revenue is recognised over time. This is because as work is performed on the assets being designed or constructed, they are controlled by the customer and have no alternative use to the Saunders Group, with the Group having a right to payment for the performance to date. Thus control of the goods and services is transferred to the customer over time.

Revenue earned is typically invoiced monthly or in some cases on achievement of milestones or in line with costs incurred.

Invoices are paid on commercial terms, which may include the customer withholding a retention amount until finalisation of the construction. Where payment is received prior to or post recognition of revenue using the percentage cost of completion method, revenue is deferred or accrued for on the balance sheet.

Notes to the Financial Statements (cont.)

Services revenue

Fixed price contracts

For fixed price services contracts, revenue arises from maintenance and other services supplied to infrastructure assets and facilities which may involve a range of services and processes. For the majority of fixed price contracts the Group has assessed the services provided to be one performance obligation. The transaction price typically contains a fixed lump sum amount. The total transaction price may include variable consideration.

Performance obligations are fulfilled over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, and the Group enhances assets which the customer controls as the Group performs. Thus control of the goods and services is transferred to the customer over time. Revenue is recognised as the services are provided using cost as the measure of progress.

Customers are in general invoiced on a monthly basis for an amount that is in line with costs incurred. Payment is received following invoicing on normal commercial terms. Where payment is received prior to or post recognition of revenue using the percentage cost of completion method, revenue is deferred or accrued for on the balance sheet.

Cost plus contracts

For cost plus services contracts, revenue arises from maintenance and other services supplied to infrastructure assets and facilities which may involve a range of services and processes. The Group has assessed the services provided to be one performance obligation.

Performance obligations are fulfilled over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, and Group enhances assets which the customer controls as the Group performs. Thus control of the goods and services are transferred to the customer over time.

Customers are in general invoiced on a monthly basis for an amount that is which is calculated on a cost plus basis that are aligned with the stand alone selling prices for each performance obligation. As the amount the Group is entitled to invoice to a customer corresponds directly with the value provided to the customer under the Group's performance completed to date, the Group has applied the practical expedient under AASB 15 and recognised revenue in the amount that they are entitled to invoice. Payment is received on normal commercial terms.

Fabrication and construction revenue

Fabrication and construction revenue arises from contracts maintained by the Group to fabricate components and construct bridges. These contracts include two performance obligations being:

I. The design and provision of plans for the construction of bridges; and

II. The fabrication, construction, site establishment, erection, commissioning and testing of bridges.

The transaction price typically contains a fixed lump sum amount. The total transaction price is allocated across each performance obligation based on stand-alone selling prices. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration, discussed below.

Each performance obligation is fulfilled over time as the Group enhances assets which the customer controls, for which the Group does not have alternative use and for which the Group has right to payment for performance to date. In some cases, the fabrication of bridge components can be contracted for by itself and in these cases, revenue will be recorded over time. Revenue is recognised as the services are provided using cost as the measure of progress.

Customers are in general invoiced on a monthly basis for an amount that is in line with costs incurred. Payment is received following invoice on normal commercial terms. Where payment is received prior to or post recognition of revenue using the percentage cost of completion method, revenue is deferred or accrued for on the balance sheet.

Variable consideration

Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, known as "constraint" requirements. The Group assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. When calculating the estimates of variable consideration, the Group considers available information including historic performance on similar contracts and other information regarding events that affect the variability that are out of the control of the Group.

Where modifications in design or contract requirements are entered into, these are treated as a continuation of the original contract in accordance with the contract modification guidance in AASB 15, and the transaction price and measure of progress is updated to reflect these. Where the price of the modification has not been confirmed, this is treated as variable consideration and an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

Notes to the Financial Statements (cont.)

Tender and contract costs

Costs incurred prior to the commencement of a contract that give rise to resources that will be used in the anticipated delivery of the contract and are expected to be recovered are capitalised. Typically, these are design costs. Where these contract assets are capitalised, they are amortised over the course of the contract consistent with the transfer of service to the customer. Tenders costs which are capitalised are only costs incremental in the winning of a contract.

(k) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit- impaired on initial recognition) , the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit- impaired financial assets, a credit- adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit- impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit- impaired (see below). For financial assets that have subsequently become credit- impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit- impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit- impaired financial assets, the Group recognises interest income by applying the credit- adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit- impaired.

Notes to the Financial Statements (cont.)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition;
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the other income line item.

The directors of the Group always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under construction contracts. Refer to Note 6 for the risk profile of amounts due from customers based on the Group's provision matrix.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(m) Impairment of Assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment or loss been recognised for the asset (cash- generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(n) Issued Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of income tax. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Notes to the Financial Statements (cont.)

(o) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

(i) has power over the investee;

(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and

(iii) has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The

Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

(i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) potential voting rights held by the Company, other vote holders or other parties;

(iii) rights arising from other contractual arrangements; and

(iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non- controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non- controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASB's).

(p) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 at the acquisition date); and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

Notes to the Financial Statements (cont.)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction- by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another AASB.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(q) Share Based Payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Black-Scholes-Merton model, which requires the input of highly subjective assumptions.

The fair value determined at the grant date of the equity- settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

Notes to the Financial Statements (cont.)

2. Critical Accounting Judgements and Key Source of Estimation Uncertainty

In the application of Saunders' accounting policies, which are described in Note 1, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Construction contracts

Construction revenue is recognised by management after assessing all factors relevant to each contract. Significant management estimation is required in assessing the following:

- Estimation of total contract revenue, including determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims;
- Estimation of total contract costs, including revisions to total forecast costs for events or conditions that occur during the performance of the contract, or are expected to occur to complete the contract;
- Estimation of project contingencies; and
- Estimation of stage of completion including determination of project completion date.

Goodwill

The Group determined whether goodwill is impaired on an annual basis. This requires an estimation of the recoverable amount of the CGU's to which the goodwill is allocated. Key assumptions giving rise to estimation uncertainty are set out in Note 20. Refer note 20 for details.

Notes to the Financial Statements (cont.)

3. Revenue

Revenue stream	Revenue recognition	Australia $'000	Other regions $'000	Total 2025 $'000	Australia $'000	Other regions $'000	Total 2024 $'000
Engineering & Construction	Over time	89,795	60	89,855	102,373	1,082	103,455
Services	Over time	77,855	-	77,855	67,875	-	67,875
Fabrication & Construction	Over time	46,813	-	46,813	44,749	-	44,749
Total revenue		214,463	60	214,523	214,997	1,082	216,079

4. Profit Before Tax For The Year

	2025 $'000	2024 $'000
Other Income		
Sale of scrap material and other	985	556
Total other income	985	556
Profit before income tax has been arrived at after (crediting)/charging the following expenses		
Cost of sales[1]	181,493	165,118
Loss on sale of property, plant & equipment and right-of-use assets[2]	81	558
Depreciation Expense		
Buildings	31	49
Plant, equipment and motor vehicles	1,475	2,065
Right-of-use assets	2,291	1,977
Office furniture and other equipment	239	201
Total Depreciation Expense	4,036	4,292
Finance Costs		
Finance cost on lease liabilities	643	534
Other	273	119
Total Finance Costs	916	653
Employee Benefits Expense		
Post-employment benefits – defined contributions	7,058	6,419
Payroll tax expense	4,386	3,802
Workers compensation insurance	2,179	1,436
Employee share based payment expense	338	670
Salary and wages	77,549	64,723
Total Employee Benefits Expense	91,510	77,050

1 The cost of sales above relates to labour, materials and subcontractor costs directly incurred in deriving revenue for the Group during the financial year.
2 FY25 relates to the loss on disposal of plant and equipment in the normal course of operation. In prior year, the precast operations were divested, resulting in a loss on sale of property plant & equipment and right-of-use assets of $0.6 million.

Notes to the Financial Statements (cont.)

5. Income Tax

Income tax recognised in profit	2025 $'000	2024 $'000
Income tax expense comprises:		
Current income tax expense – current year	1,395	5,844
Current income tax expense - prior year	-	38
Deferred tax (benefit) relating to the organisation and reversal of temporary differences	(290)	(641)
Total income tax expense	**1,105**	**5,241**
The prima facie income tax expense on pre-tax accounting profit reconciles to income tax expense in the financial statements as follows:		
Profit before taxation	3,182	14,604
Income tax at 30%	955	4,381
Non-temporary differences	150	816
Under / (over) provision in prior years	-	44
Total income tax expense	**1,105**	**5,241**
Current Tax (Asset)/Liability	**(835)**	**1,478**

The income tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(a) Deferred Tax Balances

The deferred tax expense above is itemised as follows:

	Opening balance $'000	(Charged)/ Credited to Income Statement $'000	Business Combination $'000	Closing balance $'000
2025				
Deferred Tax Assets				
Employee benefits	1,659	92	-	1,751
Provisions	296	(155)	-	141
Lease liabilities	2,838	(340)	-	2,498
Tax losses	16	22	-	38
Share issue costs	-	-	-	-
Accruals and other	821	(31)	-	790
Deferred Tax Assets	**5,630**	**(412)**	**-**	**5,218**
Deferred Tax Liabilities				
Property, plant and equipment	(1,110)	241	-	(869)
Right-of-use asset	(2,849)	475	-	(2,374)
Other	-	(14)	-	(14)
Deferred Tax Liabilities	**(3,959)**	**702**	**-**	**(3,257)**
Net Deferred Tax Assets	**1,671**	**290**	**-**	**1,961**

Notes to the Financial Statements (cont.)

5. Income Tax (Cont.)

	Opening balance $'000	(Charged)/ Credited to income $'000	Business Combination $'000	Closing balance $'000
2024				
Deferred Tax Assets				
Employee benefits	1,229	223	207	1,659
Provisions	969	(673)	-	296
Lease liabilities	281	523	2,034	2,838
Tax losses	79	(63)	-	16
Share issue costs	-	-	-	-
Accruals and other	621	200	-	821
Deferred Tax Assets	3,179	210	2,241	5,630
Deferred Tax Liabilities				
Property, plant and equipment	(2,039)	929	-	(1,110)
Right-of-use asset	(316)	(499)	(2,034)	(2,849)
Other	(1)	1	-	-
Deferred Tax Liabilities	(2,356)	431	(2,034)	(3,959)
Net Deferred Tax Assets	**823**	**641**	**207**	**1,671**

Notes to the Financial Statements (cont.)

6. Trade and Other Receivables

	2025 $'000	2024 $'000
Current		
Gross trade and other receivables	19,450	23,010
Credit loss allowance	(2)	(1)
Total current net trade and other receivables	19,448	23,009

	2025 $'000	2024 $'000
Non-current		
Gross trade and other receivables[3]	428	2,614
Total non-current net trade and other receivables	428	2,614

	2025 Australia $'000	2025 Other regions $'000	2025 Total Group $'000	2024 Australia $'000	2024 Other regions $'000	2024 Total Group $'000
Receivables						
Current	14,835	-	14,835	15,332	-	15,332
1-30 days	3,994	-	3,994	5,164	465	5,629
30-60 days	336	-	336	961	-	961
60-90 days	264	-	264	834	-	834
Over 90 days	419	30	449	2,836	32	2,868
Gross trade and other receivables	19,848	30	19,878	25,127	497	25,624
Adjustment for expected changes in credit risk[1]	(2)	-	(2)	(1)	-	(1)
Credit loss allowance	(2)	-	(2)	(1)	-	(1)
Net trade and other receivables[2]	19,846	30	19,876	25,126	497	25,623
Contract Assets (Note 10)	13,619	-	13,619	20,442	124	20,566
Total Receivables and Contract Assets	33,465	30	33,495	45,568	621	46,189

1 Adjustment to reflect the lower credit risk and probability of default relating to customers that are over 90 days past due.
2 The average credit period on sale of goods and rendering of services is approximately 35 days. No interest is charged on trade receivables. Each receivable 60 days overdue has been reviewed to assess whether there is a risk that it might be irrecoverable. There is no write off of trade receivables in 2025.
3 The non-current trade receivables relate to retention receivables.

Trade receivables and contract assets are written off when there has been a significant change in the risk characteristics of a debtor and there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Notes to the Financial Statements (cont.)

7. Property, Plant and Equipment

(a) Impairment Testing

Saunders International Limited reviews the carrying amounts of its tangible assets annually at each reporting date to determine whether there is any impairment. As at 30 June 2025 the directors reviewed the future budgets of the Group to determine whether there are any indications of impairment. This was tested as part of the CGU, while there were some indicators of impairment identified no impairment losses are recorded.

	Land at cost[2] $'000	Buildings at cost[2] $'000	Plant and Equipment at cost $'000	Office furniture and equipment at cost $'000	Total $'000
Gross carrying amount					
Balance at 30 June 2023	3,400	1,150	19,383	1,407	25,340
Business acquisition	-	-	4,662	156	4,818
Additions	-	-	2,231	455	2,686
Disposals	-	-	(8,915)	(286)	(9,201)
Balance at 30 June 2024	3,400	1,150	17,361	1,732	23,643
Business acquisition	-	-	-	-	-
Additions	-	15	1,518	742	2,275
Disposals	-	-	(845)	-	(845)
Assets held for sale	(800)	(615)	-	-	(1,415)
Balance at 30 June 2025	2,600	550	18,034	2,474	23,658
Accumulated Depreciation					
Balance at 30 June 2023	-	159	12,641	1,045	13,845
Disposals[1]	-	-	(7,118)	(208)	(7,326)
Depreciation expense	-	49	2,065	201	2,315
Balance at June 2024	-	208	7,588	1,038	8,834
Disposals[1]	-	-	(464)	-	(464)
Depreciation expense	-	32	1,477	239	1,748
Transfer to assets held for sale	-	(124)	-	-	(124)
Balance at June 2025	-	116	8,601	1,277	9,994
Net Book Value					
As at 30 June 2024	3,400	942	9,773	694	14,809
As at 30 June 2025	2,600	434	9,433	1,197	13,664

1 During FY24, Saunders divested the precast operations. This included Plant and Equipment with a net book value of $1.7 million. There were other asset disposals in the ordinary course of business that had a net book value of $0.1 million. A detailed review of Property, Plant and Equipment also resulted in write-off of $5.0 million of assets that had been fully depreciated.

2 CBA has a first mortgage over the land and building at 68 and 74 Kalaroo Road, Redhead.

8. Leases

The Group is lessee to office leases, motor vehicle leases and construction equipment. Office leases have a mix of variable and fixed annual rent increases. Motor vehicle leases and equipment loans do not have repayment increases, with instalments being fixed over the term of the lease. The average lease term for office leases is 4.8 years. The average lease term for motor vehicles and other equipment is 4.3 years.

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 security interests in the leased assets that are held by the lessor. Leased asset may not be used as security for borrowing purposes. This note provides information for leases where the Group is a lessee.

Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income includes the following amounts relating to leases:

	2025 $'000	2024 $'000
Depreciation Charge for Right of Use Assets	2,291	1,977
Total Depreciation Charge for Right of Use Assets	2,291	1,977
Other cost relating to leases		
Interest expense on lease liabilities (included in Finance Costs)	643	534
Total costs relating to leases	2,934	2,511

Amounts recognised in the Consolidated Statement of Financial Position relating to leases:

	Property	Other	Total $'000
Right of use assets			
Gross amount			
Opening balance 1 July 2023	2,094	5,683	7,777
Additions[2]	9,376	424	9,800
Disposal[1]	(1,342)	(709)	(2,051)
Balance as at 30 June 2024	10,128	5,398	15,526
Additions	85	616	701
Disposal	-	(65)	(65)
Balance as at 30 June 2025	10,213	5,949	16,162
Accumulated depreciation			
Opening balance 1 July 2023	1,258	1,567	2,825
Disposals	(1,342)	(368)	(1,710)
Depreciation expense	1,161	816	1,977
Balance as at 30 June 2024	1,077	2,015	3,092
Right of use assets			
Disposals	-	(54)	(54)
Depreciation expense	1,513	778	2,291
Balance as at 30 June 2025	2,590	2,739	5,329
Net book value			
Balance as at 30 June 2024	9,051	3,383	12,434
Balance as at 30 June 2025	7,623	3,210	10,833

1 During FY24, Saunders divested the precast operations. This included right-of-use assets with a net book value of $0.3 million. A detailed review of Property, Plant and Equipment also resulted in write-off of $1.5 million of assets that had been fully depreciated.
2 During FY24, the group has taken up $6.2m right-of-use assets through the acquisition of Piping Solutions.

Notes to the Financial Statements (cont.)

8. Leases (Cont.)

Lease Liabilities	2025 $'000	2024 $'000
Current	2,176	2,251
Non-Current	8,247	9,692
Total lease liabilities	10,423	11,943

Maturity Analysis	2025 $'000	2024 $'000
Year 1	2,176	2,251
Year 2	2,024	2,082
Year 3	1,461	1,837
Year 4	1,345	1,291
Year 5	747	1,183
Onwards	2,670	3,299
Total lease liabilities	10,423	11,943

9. Trade and Other Payables

	2025 $'000	2024 $'000
Current		
Trade payables [1]	15,891	15,572
Other payables	4,128	3,552
Goods and services tax payable	1,152	1,332
Accruals	5,553	7,738
Total trade and other payables	26,724	28,194

1 Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days. For most suppliers no interest is charged on the trade payables for the first 45 days from the date of the invoice.

Notes to the Financial Statements (cont.)

10. Contract Assets and Contract Liabilities

	2025 $'000	2024 $'000
Contract asset related to contracts	13,619	20,566
Contract liabilities relating to contracts	(6,887)	(5,600)

Contract Assets

Contract assets are balances due from customers under long-term contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the Group's right to consideration for the services transferred to date. Amounts are generally reclassified to accounts receivable when these have been invoiced to a customer.

Contract Liabilities

Contract liabilities relate to advance payments received from customers. These arise if a particular milestone payment exceeds the revenue recognised to date under the percentage cost complete method. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was $5.6 million (2024: $11.2 million). Revenue recognised in the reporting period from performance obligations satisfied or partially satisfied in previous periods was "$"nil (2024: $13.7 million). Partially satisfied performance obligations continue to incur revenue and costs in the period.

Remaining Performance Obligations (Work in Hand)

Contracts which have remaining performance obligations as at 30 June 2025 and 30 June 2024 are set out below.

Revenue Stream	2025 $'000	2024 $'000
Engineering & Construction	60,603	59,897
Service	81,325	57,354
Fabrication & Construction	27,164	31,342
Total work in hand	169,092	148,593

Contracts in the different revenue streams have different lengths. The average duration of contracts is 12 – 24 months, however some contracts will vary from these typical lengths. Revenue is typically earned over these varying timeframes, however more of the revenue noted above is expected to be earned within 12 months.

11. Provisions

	2025 $'000	2024 $'000
Current		
Employee benefits	5,704	5,244
Warranty and maintenance provisions	470	986
Total current provisions	6,174	6,230
Non-current		
Employee benefits	255	285
Other provisions	7	74
Total non-current provisions	262	359

Notes to the Financial Statements (cont.)

12. Issued Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Ordinary Shares	2025 Number	2024 Number
Ordinary shares at beginning of financial year	116,821,531	109,029,823
Shares issued to vendors for acquisitions (refer Note 21)	4,530,900	6,762,704
Shares issued under Dividend Reinvestment Plan	-	-
Shares issued under Employee Share and Performance Rights Plan	423,674	645,572
Treasury shares vested during the year	430,955	383,432
Net Treasury shares issued during the year	-	-
Ordinary Shares at end of Financial Year	122,207,060	116,821,531

Fully Paid Ordinary Shares	2025 $'000	2024 $'000
Balance at beginning of financial year	30,918	24,104
Shares issued to vendors for acquisitions (refer Note 21)	3,775	6,500
Shares issued under Dividend Reinvestment Plan	-	-
Shares issued under Performance Rights Plan	371	443
Shares issued under Employee Share Plan	-	-
Net Treasury shares issued/ (lapsed) during the year	-	(129)
Balance at end of Financial Year	35,064	30,918

Treasury Shares Under Employee Share Plan	2025 Number	2024 Number
Balance at beginning of financial year	1,466,492	1,849,924
Treasury shares vested during the year	(430,955)	(383,432)
Net Treasury shares issued during the year	-	-
Balance at end of Financial Year	1,035,537	1,466,492

Treasury Shares Under Employee Share Plan	2025 $'000	2024 $'000
Balance at beginning of financial year	(1,230)	(1,475)
Net Treasury shares lapsed / (issued) during the year	299	245
Balance at end of Financial Year	(931)	(1,230)

Reserves

Nature and purpose of reserves

(a) Treasury shares under employee share plan

The value of shares bought back are allocated to this reserve.

(b) Share-based payments reserve

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

Notes to the Financial Statements (cont.)

12. Issued Capital (Cont.)

Employee Share Plan

The Board has approved and implemented an Employee Share Plan ("ESP").

Under the ESP, the Group provides interest free loans to employees to acquire shares in Saunders International Limited, at a specified price per share. The loans are secured by the shares acquired by the eligible employees. The shares will vest and the loans will be repaid, upon a specified anniversary of the issue of the shares. If an eligible employee's employment with the Group is terminated prior to the specified anniversary of the issue of the shares, the shares will be forfeited, and the Group will be entitled to the total amount raised pursuant to the divestment of the shares. The shares are accounted for as in substance options.

Each employee share option converts into one ordinary share of Saunders International Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. As at the reporting date, a total of 17 tranches of the ESP have been issued. No new tranches have been issued since 28 February 2022.

Tranches 1 to 13 all vested in financial years up to 30 June 2023.

Tranche 14: During the prior financial year 10,000 shares were re-issued and 307,500 shares vested.

Tranche 15: During the current financial year 422,500 shares vested and 5,000 shares were forfeited, and during the prior financial year 10,000 shares were re-issued and 20,000 shares were forfeited.

Tranche 16: During the prior financial year 100,000 shares were forfeited.

Tranche 17: During the current financial year 3,455 shares were forfeited and during the prior financial year 44,915 shares were forfeited.

The fair value of the share options granted during the financial year is included in below table. Options have been valued using the Black-Scholes-Merton pricing model. Expected volatility is based on the historical share price volatility over the past 3 years.

One employee holds more than 150,000 options under the ESP. Details of the fair value assumptions used are as follows:

	Tranche 15	Tranche 16	Tranche 17
Grant Date	Feb-21	Aug-21	Feb-22
Grant Price	$0.69	$0.80	$1.02
Opening Volume	427,500	125,000	326,498
New Grants	-	-	-
Grant re-issued	-	-	-
Exercised	(422,500)	-	-
Forfeitures	(5,000)	-	(3,455)
Closing Volume	-	125,000	323,043
Exercise Price	$0.69	$0.80	$1.02
Expected Volatility	45%	45%	45%
Option Life	4 years	4 years	4 years
Dividend Yield	0%	0%	0%
Risk Free Interest Rate	4.4%	4.4%	4.4%
Grant Date fair value	$0.27	$0.31	$0.39

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

Notes to the Financial Statements (cont.)

12. Issued Capital (Cont.)

Movement In Share Options During the Year

The following reconciles the share options outstanding at the beginning and end of the year.

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	878,998	0.83	1,331,413	0.73
Granted during the year	-	-	-	-
Re-issued during the year	-	-	20,000	0.54
Forfeited during the year	(8,455)	0.69	(164,915)	0.85
Exercised during the year	(422,500)	0.69	(307,500)	0.38
Balance at end of year	448,043	0.96	878,998	0.83
Exercisable at end of year	-	-	-	-

Performance Rights Plan

The Saunders International Limited Rights Plan was approved by the Board and approved by shareholders at the Annual General Meeting in November 2024.

The features of the long-term incentive comprises the grant of equity in the form of Performance Rights which vest over a three year period. The maximum number of Performance Rights will vest only if stretch objectives for each tranche are achieved.

Half of the Performance Rights will vest if the target objectives are achieved. The end of the measurement period for a tranche of Performance Rights can be extended by up to two years at the Board's discretion if significantly less than target vesting would have been achieved for that tranche at the end of the measurement period, adjusted for the pro-rata increase in hurdles to take into account the additional time. The two vesting conditions that will be used will be relative total shareholder return (RTSR) and normalised earnings per share growth (NEPSG).

RTSR will be measured by comparing the Group's TSR over the measurement period with the TSRs achieved by companies that are in a comparator group and remain listed on the ASX. TSR is the percentage return generated from an investment in a Group's shares over the measurement period assuming that dividends are reinvested into the Group's shares. NEPSG will be assessed as the compound annual growth rate (CAGR) reflected in the increase in normalised earnings per share (EPS) from the base year to normalised EPS for the final year of the measurement period. Normalised EPS will relate to normal operations and will exclude abnormal items as determined by the Board in its discretion.

The vesting scale will be applied to the tranches subject to objective measurement of Saunders performing relative to the comparator group and NEPSG, as appropriate, with the vesting scale ranging continuously from very poor performance (CAGR of 5%), to on-target performance (CAGR of 10%), to very good performance (CAGR of 15%).

The long-term incentive is aimed at aligning remuneration with the longer term performance of the Group and retaining the long-term services of the key management personnel

Some Performance Rights may be granted over periods shorter or longer than the standard long-term incentive which vest over a 3 year period. To date these performance rights have been granted to certain management personnel at the commencement of their employment with Saunders, or during their employment with Saunders, and primarily have a service based vesting condition.

The Managing Director & Chief Executive Officer and certain Management Personnel participate in the Saunders International Rights Plan. This plan is part of the long-term incentive component of the respective remuneration packages. The total number of unvested Performance Rights issued under the plan at the beginning of the financial year was 2,469,947. During the financial year, 518,574 rights vested, 344,964 rights were forfeited, 155,434 rights lapsed and 1,573,024 new rights were granted; resulting in total unvested Performance Rights at the end of the financial year totalling 3,023,999.

Notes to the Financial Statements (cont.)

12. Issued Capital (Cont.)

Details of the fair value assumptions used are as follows

	Tranche 19	Tranche 20	Tranche 21	Tranche 22	Tranche 25	Tranche 26
Grant Date	1-Sep-21	1-Sep-21	1-Sep-22	1-Sep-22	1-Sep-23	1-Sep-23
Grant Price	0.78	0.78	1.07	1.07	1.07	1.07
Opening Volume	279,554	279,554	243,916	243,916	550,011	550,011
New Grants	-	-	-	-	-	-
Lapsed	(155,434)	-	-	-	-	-
Forfeited	-	-	-	-	(112,657)	(112,657)
Vested	(124,120)	(279,554)	-	-	-	-
Closing Volume	-	-	243,916	243,916	437,354	437,354
Exercise Price	-	-	-	-	-	-
Expected Volatility	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%
Option Life Remaining	0 years	0 years	0.17 years	0.17 years	1.17 years	1.17 years
Risk Free Interest Rate	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Grant Date fair value	0.70	0.70	0.92	0.92	0.92	0.92

	Tranche 27(b)	Tranche 28	Tranche 29	Tranche 30	Tranche 31
Grant Date	1-Nov-22	1-Dec-23	1-Aug-21	1-Oct-24	1-Oct-24
Grant Price	1.05	0.96	0.79	1.07	1.07
Opening Volume	20,000	208,085	94,900	-	-
New Grants	-	-	-	786,512	786,512
Lapsed	-	-	-	-	-
Forfeited	-	-	-	(59,825)	(59,825)
Vested	(20,000)	-	(94,900)	-	-
Closing Volume	-	208,085	-	726,687	726,687
Exercise Price	-	-	-	-	-
Expected Volatility	26.9%	26.9%	26.9%	26.9%	26.9%
Option Life Remaining	0 years	1.42 years	0 years	2.25 years	2.25 years
Risk Free Interest Rate	4.4%	4.4%	4.4%	4.4%	4.4%
Grant Date fair value	0.95	0.84	0.71	0.70	0.70

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date and number of options granted were outstanding at the end of the year. Option Life Remaining period refers to the remaining contractual life of the Performance Rights prior to their vesting date. Dividend value relates to the estimated value of dividends not payable to rights holders from the date of grant to the vesting date. The Performance Rights outstanding at the end of the year has a weighted average remaining contractual life of 1.41 years.

Notes to the Financial Statements (cont.)

13. Retained Earnings

	2025 $'000	2024 $'000
Balance at beginning of financial year	20,841	16,074
Profit after tax for the year	2,077	9,363
Dividends provided for or paid	(5,145)	(4,596)
Balance at end of financial year	17,773	20,841

14. Earnings Per Share

	2025 Cents per share	2024 Cents per share
Basic earning per share	1.72	8.27
Diluted earnings per share	1.69	8.16

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2025 $'000	2024 $'000
Net profit after tax	2,077	9,363
Earnings used in the calculation of basic and diluted EPS	2,077	9,363
	2025 No.'000	2024 No.'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	120,967	113,226
Diluted earnings per share		
Weighted average number of ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earning per share as follows:		
Weighted average number of ordinary shares used in the calculation of basic EPS	120,967	113,226
Shares deemed to be issued for no consideration in respect of employee options and performance rights[1]	1,890	1,502
Weighted average number of ordinary shares and potential ordinary share used in the calculation of diluted earnings per share	122,857	114,728

1 During the year ended 30 June 2025 a portion of the potential ordinary shares associated with the employee share option plan as set out in Note 12 are dilutive and therefore included in the weighted average number of ordinary shares for the purposes of diluted earnings per share. The potential ordinary shares associated with the Performance Rights are dilutive and have been included in the weighted average number of ordinary shares for the purposes of diluted earnings per share.

Notes to the Financial Statements (cont.)

15. Dividends

	2025		2024	
	Cents per share	Total $'000	Cents per share	Total $'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend (prior year) fully franked at a 30% tax rate	2.25	2,680	2.00	2,230
Interim dividend (current year) fully franked at a 30% tax rate	2.00	2,465	2.00	2,366
	4.25	5,145	4.00	4,596
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend (current year)	0.25	308,167	2.25	2,671

The Board declared on 20 August 2025 that there will be a final dividend payable of 0.25 cents per share fully franked (2024: 2.25 cents final dividend). The dividend will be payable on 14 October 2025 with the record date for determining dividends on 16 September 2025.

16. Segment Information

The Group operates in one reporting segment being the provision of design, construction, fabrication, shutdown, maintenance and industrial automation services to leading organisations of steel storage tanks and concrete bridges.

In the current period 2 customers made up 22% of the revenue earned (2024: 38% of the revenue earned). These customers accounted for $47.7million of the Groups' total revenue (2024: $81.1 million).

17. Contingent Liabilities and Contingent Assets

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

As at 30 June 2025, Saunders International has entered into an agreement for the provision of material with value at $1.2m for a Defence project in Saunders Piping Solutions. This amount is not including in current year profit and loss.

Subsequent to the acquisition of Aqua Metro on 15 July 2025, the Group is committed to a success fee and other related costs. These costs are not including in current year profit and loss. Refer to note 26 for details.

As at 30 June 2025, the group has provided $13.7m of CBA bank guarantees and $4.7m Asset Insure insurance bond as part of the financing facilities. Total facility limit is $45m ($20m CBA and $25m Asset Insure) as at 30 June 2025 .

Notes to the Financial Statements (cont.)

18. Notes to the Statement of Cash Flows

	2025 $'000	2024 $'000
(a) Cash and cash equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	22,076	19,807
(b) Reconciliation of profit/(loss) for the year to net cash flows from operating activities		
Profit for the year	2,077	9,363
Share-based payments expense	338	670
Depreciation	4,036	4,292
Loss on disposal of non-current assets	81	558
Unrealised foreign exchange loss	(24)	(32)
(Increase)/Decrease in assets:		
Current tax liability	(2,313)	(822)
Deferred tax assets	(290)	(645)
Deferred tax liabilities	-	-
Trade and other receivables	5,747	(268)
Contract assets	6,947	12,579
Inventories	(60)	28
Other assets	(282)	(342)
Increase/(Decrease) in liabilities:		
Trade and other payables	(1,470)	211
Contract liabilities	1,287	(5,574)
Provisions	(153)	(697)
Net cash inflow / (outflow) from operating activities	15,921	19,321
(c) Financing facilities		
The Group's principal financing facilities for the provision of bank guarantees and bonding as described in Note 19 is secured by a fixed and floating charge over the assets of the Group		
Amount used	18,487	19,296
Amount unused	26,513	20,704
	45,000	40,000

The facilities have financial covenants relating to the Group's liquidity and security ratios, and as at 30 June 2025 the group has not breached these covenants.

Notes to the Financial Statements (cont.)

19. Financial Instruments

The Group has three significant categories of financial instruments which are described below together with the policies and risk management processes which the Group utilises:

(a) Cash and cash equivalents

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

(b) Debtors and credit risk management

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

(c) Bank guarantees and insurance bonds

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

Capital risk management

The Group's capital structure currently consists of equity and retained earnings. The only external long-term debt or short-term debt relates to lease liabilities. The operating cash flows of the Group are used to finance short-term capital expenditure. The Group's capital risk management is continuously reviewed and adjusted based on surplus cash available for investment.

Categories of financial instruments	2025 $'000	2024 $'000
Financial Assets		
Cash and cash equivalents	22,076	19,807
Trade and other receivables	19,876	25,623
Total Financial Assets	41,952	45,430
Financial Liabilities		
Trade and other payables	20,019	19,124
Other financial liabilities	-	8,100
Lease liabilities	10,423	11,943
Total Financial Liabilities	30,442	39,167

Obligations under finance leases

Leasing arrangements

The Group leases certain of its construction equipment under finance leases. The average lease term is 4.3 years. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

Financial risk management objectives

The Group's exposure to market risk mainly arising from interest rate risk (including currency risk, fair value interest rate risk and price risk) and cash flow interest rate risk, is disclosed in the interest rate sensitivity analysis below. Credit risk is monitored monthly through continuous management of the ongoing projects.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term liquidity management requirements. The Group manages liquidity risk by continually monitoring and maintaining adequate banking facilities. Cash flows are monitored and matched to the maturity profiles of financial assets and liabilities.

Notes to the Financial Statements (cont.)

19. Financial Instruments (Cont.)

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to receive or pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month $'000	1 to 3 months $'000	3 months to 5 years $'000	Total $'000
2025					
Financial assets					
Cash and cash equivalents	0.5%	22,076	-	-	22,076
Trade receivables	0.0%	14,834	4,594	448	19,876
Financial liabilities					
Trade and other payables	0.0%	17,190	2,829	-	20,019
Lease liabilities	5.9%	189	384	9,850	10,423
2024					
Financial assets					
Cash and cash equivalents	0.6%	19,807	-	-	19,807
Trade receivables	0.0%	15,331	7,424	2,868	25,623
Financial liabilities					
Other financial liabilities	0.0%	-	1,100	7,000	8,100
Trade and other payables	0.0%	10,564	8,294	266	19,124
Lease liabilities	5.9%	200	364	11,379	11,943

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on exposure to interest rates for cash and cash equivalents that were subject to interest rate fluctuations at the reporting date. At reporting date, if interest rates had been 1% higher or lower and all other variables were held constant, the Group's profit or loss would increase or decrease by $76 thousand (2024: $52 thousand).

Foreign currency risk

The Group manages its foreign currency risk arising from significant supplier contracts in foreign currencies by holding foreign currency. As a result of operations in Papua New Guinea the Group's statement of financial position can be affected by movements in the PGK/A$ exchange rate. The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency. Where possible, Saunders does not take on foreign exchange risk. At 30 June 2025, the Group had no forward contracts.

The Group also mitigates its exposure to foreign currency risk by minimising excess foreign currency balances in overseas jurisdictions not required for working capital. At 30 June 2025, the Group had A$176 thousand (2024: $3 thousand) of cash in PGK. At reporting date, if the PGK/AUD exchange rate had moved by 5%, with all other variables held constant, the group's profit or loss would increase or decrease by $8.8 thousand (2024: $0 thousand).

Fair value of financial instruments

No financial asset or financial liability is held at fair value. The directors consider the fair value of the financial assets and financials liabilities to approximate their carrying amounts.

Notes to the Financial Statements (cont.)

20. Intangible Assets

Goodwill	2025 $'000	2024 $'000
Balance at beginning of financial year	17,392	3,978
Additions through business combinations		
- Saunders Piping Solutions	-	13,414
Balance at end of financial year	17,392	17,392

Goodwill acquired through business combinations is allocated to the lowest level within the entity at which the goodwill is monitored, being the grouped cash generating unit (CGU) comprising the Engineering, Construction, Piping and Automation operations of Saunders. Refer to Note 21 for details of the acquisition of the Piping Solutions business, effective from 31 October 2023, and detailed calculation of goodwill recognised in relation to the acquisition. Management has identified two CGU (asset services divison and others) and the goodwill is completely allocated to the CGU (others). The carrying value of both CGU were determined by their separately identifiable assets and liabilities. Some management assumption has also been used including revenue proportion between the two CGU.

The key assumptions used in the calculations include the financial budget for the 2026 financial year, revenue growth, rate as the proxy for capital expenditure growth rate, the WACC at 11.8% and the terminal growth rate at 2.5%. These assumptions are based on past experience and the Company's forecast operating and financial performance of the CGU taking into account current market and economic conditions, risks, uncertainties and opportunities for improvement.

The value in calculations use cash flow projections over a 5 year period, extrapolated into perpetuity using a long-term growth rate. The cash flow projects in Year 1 are based on financial budgets for the 2026 financial year, as approved by the Board. The cash flow projections for years 2-5 assume a growth rate of 5.0% p.a. The terminal growth rate into perpetuity is assumed to be 2.5%, which is consistent with the mid-point of long term inflation forecasts by recognised bodies. A weighted average cost of capital of 11.8% has been used in determining the present value of future cash flows for the CGU.

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

Notes to the Financial Statements (cont.)

21. Acquisition of Subsidiaries

Saunders did not make any acquisitions in FY25. See the information below regarding acquisitions in the prior corresponding period.

Saunders announced the acquisition of the Piping Solutions business on 8 November 2023. Under the terms of the Business Purchase Deed, control of the business was effectively acquired on 31 October 2023. Piping Solutions specialise in the fabrication, installation and maintenance of steel pipelines, structures, pressure vessels, and refuelling systems for the Defence, Aviation, Energy and Infrastructure industries. The acquisition qualifies as a business as defined in AASB3 Business Combinations. It was acquired to facilitate Saunders strategic expansion into the Defence sector and addition of complementary capabilities across complex steel piping fabrication, installation and maintenance. This will provide a more attractive vertically integrated offering and enable better penetration into New Energy markets. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

	2024 $'000
Inventory	251
Trade and other receivables	2,256
Property, plant and equipment	4,818
Right of use assets	6,174
Deferred tax asset	207
Trade and other payables	(2,256)
Employee benefits provisions	(690)
Other interest-bearing liabilities	(6,174)
Total identified assets acquired and liabilities assumed	4,586
Goodwill	13,414
Total Consideration	18,000
Satisfied by:	
Cash	4,500
Equity comprising ordinary shares in Saunders International Limited	6,500
Contingent consideration	
- Settled in cash	3,500
- Settled in equity	3,500
Total consideration transferred	18,000
Net cash outflow arising on acquisition:	
Cash consideration	4,500
Less: cash and cash equivalent balances acquired	-
Net cash outflow arising on acquisition during the year ended 30 June 2024	4,500

Notes to the Financial Statements (cont.)

21. Acquisition of Subsidiaries (Cont.)

Other current financial liabilities

In the prior financial year, Saunders announced the Saunders Piping Solutions (SPS) acquisition included an element of deferred cash payments, based on the earn-out consideration conditions within the Business Purchase Deed. SPS achieved the required earn-out consideration conditions during the year ending 30 June 2025. As a result, Saunders recognised the maximum final instalment payable of $7.0 million as an Other Financial Liability within the Consolidated Financial Position. In early January 2025, SPS's former owners received the deferred payments in cash ($3.5 million) and equity ($3.5 million which converted to 4,109,954 Saunders shares (ASX code: SND) issued on 6 January 2025).

In August 2024, Saunders Automation former owners received the final deferred payment in cash ($0.8 million) and equity ($0.3 million which converted to 420,946 Saunders shares).

Other current financial liabilities recognised in the Consolidated Statement of Financial Position relating to acquisition of subsidiaries	2025 $'000	2024 $'000
Saunders Piping Solutions Limited	-	7,000
Saunders Automation Pty Ltd	-	1,100
Total Current Other Financial Liabilities	-	8,100

22. Directors & Key Management Personnel Compensation

The board of directors approves on an annual basis the amounts of compensation for directors and key management personnel with reference to the Group's performance and general compensation levels in equivalent companies and industries.

(a) Remuneration of Directors and Key Management Personnel

	2025 $	2024 $
Short-term employee benefits	1,637,236	1,886,532
Post-employment benefits	83,687	85,592
Share-based payments	128,154	448,856
Total remuneration of directors and key management personnel	1,849,077	2,420,980

The names of and positions held by the key management are set out in the Remuneration Report on page 43. Further details of the remuneration of key management are disclosed in the Remuneration Report.

(b) Other Transactions with Key Management Personnel

There were no transactions with directors and other key management personnel apart from those disclosed in this note.

(c) Directors' and Key Management Equity Holdings

Refer to the table in the Remuneration Report on page 43.

Notes to the Financial Statements (cont.)

23. Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group 2025	Proportion of ownership interest and voting power held by the Group 2024
Saunders Civilbuild Pty Ltd	Bridge construction and maintenance	Australia	100%	100%
Saunders Property (NSW) Pty Ltd	Real property investments	Australia	100%	100%
Saunders Asset Services Pty Ltd	Maintenance	Australia	100%	100%
Saunders (PNG) Limited	Tank construction and maintenance	Papua New Guinea	100%	100%
Saunders PlantWeave Pty Ltd	Industrial Automation and Electrical	Australia	100%	100%
Saunders International (NZ) Limited	Tank construction and maintenance	New Zealand	100%[1]	100%[1]
Saunders Automation Pty Ltd	Industrial Automation and Electrical	Australia	100%[2]	100%[2]
Saunders Piping Solutions Pty Limited	Structural, mechanical and piping (SMP)	Australia	100%[3]	100%[3]

1 Saunders International (NZ) Limited was incorporated on 1 June 2023.
2 Saunders acquired Automation IT Pty Ltd with effect from 1 April 2023.
3 Saunders acquired the Piping Solutions business and formed Saunders Piping Solutions Pty Ltd with effect from 31 October 2023.

24. Parent Entity Information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below. See Note 1 for a summary of the significant accounting policies relating to the Group.

Investments In Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are accounted for at cost. Dividends received from subsidiaries, associates and joint ventures are recognised in profit or loss when a right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Parent and the amount of income can be measured reliably).

Notes to the Financial Statements (cont.)

24. Parent Entity Information (Cont.)

Summary Financial Information

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

Financial Position	2025 $'000	2024 $'000
Assets		
Current Assets	37,207	42,049
Non-current assets	34,020	33,969
Total assets	**71,227**	**76,018**
Liabilities		
Current liabilities	18,154	23,539
Non-current liabilities	3,506	4,204
Total liabilities	**21,660**	**27,743**
Total Net Assets	**49,567**	**48,275**
Equity		
Issued capital	35,064	30,918
Shares buy-back reserve under employee share plan	(931)	(1,230)
Share based payments reserve	467	799
Retained earnings	14,967	17,788
Total equity	**49,567**	**48,275**

Financial Performance	2025 $'000	2024 $'000
Profit for the year	2,324	5,350
Other comprehensive income	-	-
Total comprehensive income	**2,324**	**5,350**

The parent entity is jointly and severally liable for for the guarantee facilities, see details in Note 17.

25. Remuneration of Auditor[1]

	2025 $	2024 $
Audit or review of the financial report	369,643	444,401
Other services[2]	32,423	62,397
Total Auditor's remuneration	**402,066**	**506,798**

1 The auditor of Saunders International Limited is Deloitte Touche Tohmatsu.
2 Other services provided relate to Saunders PNG Limited and included taxation, financial statement preparation and annual return lodgement.

Notes to the Financial Statements (cont.)

26. Subsequent Events

On 15 July 2025, Saunders International Limited has entered into a Share Sale Agreement to acquire 100% of the issued shares of Aqua Metro Pty Ltd and its associated entities ("Aqua Metro") for up to $30.0 million. Aqua Metro is a leading provider of water infrastructure services, generating strong annuity-style revenue through long-term program and project agreements with utilities and government agencies. The acquisition will be funded through $5 million institutional placement, a new $10 million acquisition debt facility with the Commonwealth Bank and existing cash reserves. The total purchase price includes an initial payment of $18.0 million on completion, comprising $11.0 million in cash and $7.0 million in Saunders shares. A potential second instalment will be payable based on a 12-month earn-out and is subject to a maximum earn-out cap of $12.0 million. Subject to the closing conditions, Saunders expects the acquisition will complete in the first quarter of FY2026.

In August 2025, Saunders entered into an agreement for the sale of a property, for an amount of $4 million.

There have been no other matters or circumstances occurring subsequent to the end of the financial year (except the above), that have significantly affected, or may significantly affect, the operations of the group, the result of these operations, or the state of affairs of the Group in future financial years..

27. Additional Company Information

(a) General Information

Saunders International Limited is incorporated and operating in Australia. Saunders International Limited's registered office and its principal place of business is as follows:

Registered Office	Principal place of business
Suite 101, Level 1, 3 Rider Boulevard Rhodes NSW 2138 Tel: (02) 9792 2444	Suite 101, Level 1, 3 Rider Boulevard Rhodes NSW 2138 Tel: (02) 9792 2444

(b) Consolidated Entity Disclosure Statement

			Body Corporates		Tax Residency	
Name of Subsidiary	Principal Activity	Entity Type	Place of incorporation and operation	% of Share Capital Held	Australian or Foreign[4]	Foreign Jurisdiction
Saunders International Limited	Holding Company, Construction and Maintenance	Body Corporate	Australia	NA	Australian	NA
Saunders Civilbuild Pty Ltd	Bridge Construction and Maintenance	Body Corporate	Australia	100%	Australian	NA
Saunders Property (NSW) Pty Ltd	Real Property Investments	Body Corporate	Australia	100%	Australian	NA
Saunders Asset Services Pty Ltd	Maintenance	Body Corporate	Australia	100%	Australian	NA
Saunders (PNG) Limited	Tank Construction and Maintenance	Body Corporate	Papua New Guinea	100%	Foreign	Papua New Guinea
Saunders PlantWeave Pty Ltd (now incorporated within Saunders Automation Pty Ltd)	Industrial Automation and Electrical	Body Corporate	Australia	100%	Australian	NA
Saunders International (NZ) Limited	Tank Construction and Maintenance	Body Corporate	New Zealand	100%[1]	Foreign	New Zealand
Saunders Automation Pty Ltd	Industrial Automation and Electrical	Body Corporate	Australia	100%[2]	Australian	NA
Saunders Piping Solutions Pty Limited	Structural, Mechanical and Piping (SMP)	Body Corporate	Australia	100%[3]	Australian	NA

1 Saunders International (NZ) Limited was incorporated on 1 June 2023.
2 Saunders acquired Saunders Automation Pty Ltd (formerly Automation IT Pty Ltd) with effect from 1 April 2023.
3 Saunders acquired the Piping Solutions business and formed Saunders Piping Solutions Pty Limited with effect from 31 October 2023.
4 All 100% Australian owned subsidiary companies of Saunders International Limited are part of a tax-consolidated group under Australian tax law, for which Saunders International Limited is the head entity

Corporate Governance

The Board of Saunders International Limited has adopted a suite of Corporate Governance Practices to ensure that the company effectively identifies, monitors and manages risks, with the appropriate disclosures.

In developing and adopting the Practices, the Board considered the fourth edition of the ASX Corporate governance Principles and Recommendations. The Board incorporates the Principles and Recommendations into its Practices to the extent that they are appropriate, taking into account the Company's size, activities and resources.

The Board has adopted the following Charters, Policies and Codes:

The Board Charter

The Board Charter sets out matters relating to the responsibilities of the Board and its directors and matters relating to the composition of the Board and appointment of directors.

Board Committees and Their Charters

In order to better manage its responsibilities, the Board has established an Audit and Risk Committee and a Remuneration Committee. Each committee has adopted a Charter approved by the Board.

Policies and Codes of Conduct

The Company has adopted Policies and Codes of Conduct which are available on the Company's website.

Corporate Governance Statement and Appendix 4G

The Company reports on an annual basis, its compliance and/or reasons for non-compliance with the fourth edition of the ASX Corporate Governance Principles and Recommendations. The Corporate Governance Statement and the Appendix 4G have been released on the ASX Announcements platform and are on the Company's website. Further information on the above Charters Policies and Codes can be found on the Company's website.

Shareholder Information

Shareholder Information

Ordinary Share Capital

At 30 June 2025 there are 123,242,597 fully paid ordinary shares held by 717 individual shareholders. In addition, there are 1,466,492 shares issued to employees under the Employee Share Purchase Plan (ESPP). These ESPP shares are not included for the purpose of calculating the totals and percentages used in this section.

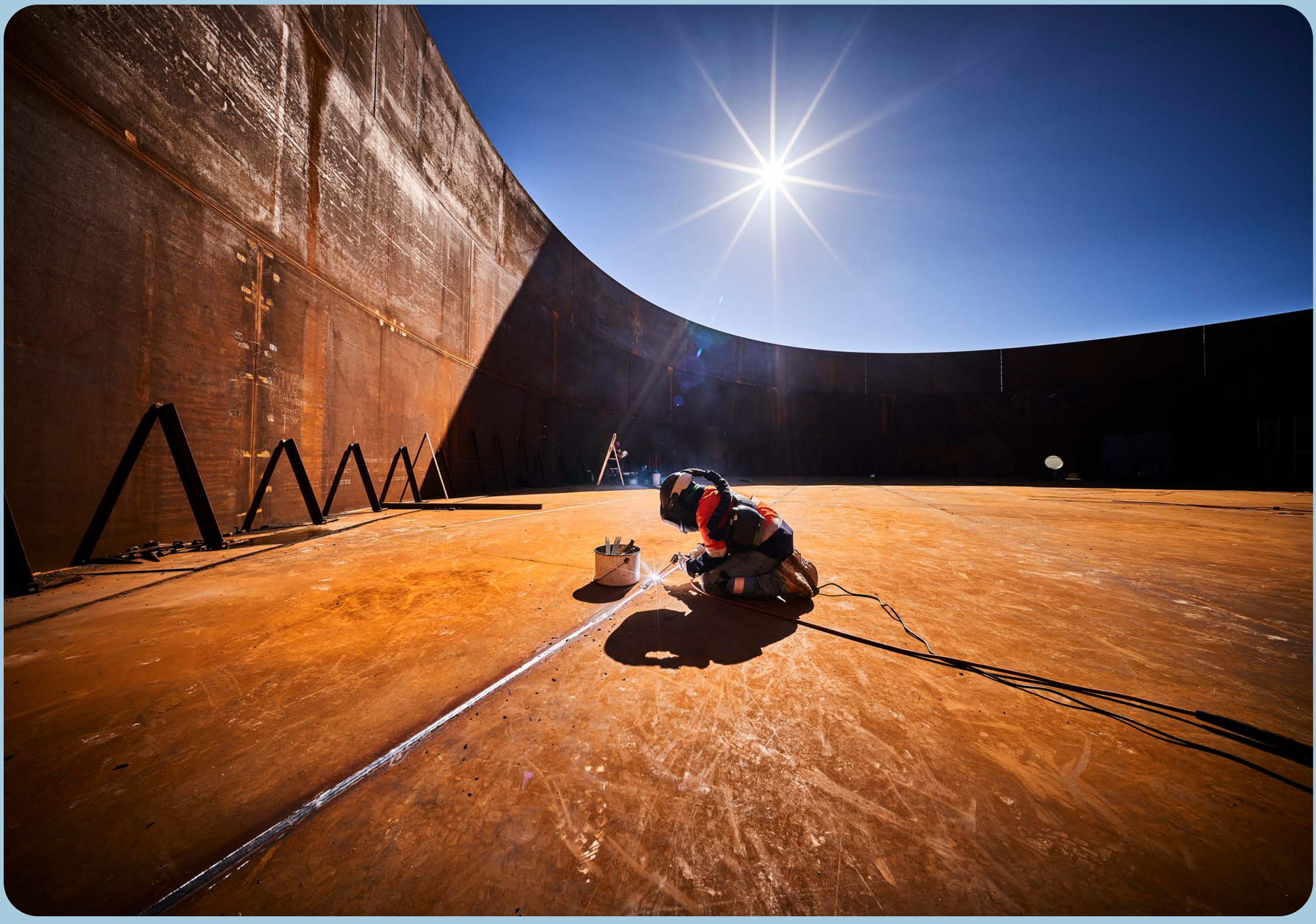
Substantial Shareholders As At 30 June 2025

Substantial Shareholders	No. Of Shares	Percentage
Desmond Bryant	24,316,811	19.2%
JP Morgan Nominees Australia Pty Limited	22,446,645	18.2%
Anacacia Pty Ltd	12,197,051	9.9%
Tim Burnett	9,016,600	7.3%
Ahrens Group Pty Ltd	8,833,000	7.2%
	76,810,107	61.8%

Distribution of Shares	
1 to 1,000	119
1,001 to 5,000	180
5,001 to 10,000	111
10,001 to 100,000	243
100,001 and over	64
Total	717

Twenty Largest Registered Holders Names	No. OF SHARES	PERCENTAGE (%)
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	22,446,645	18.21
ANACACIA PTY LTD	12,197,051	9.90
MR DESMOND BRYANT	11,322,343	9.19
DEBRY PTY LTD	10,677,667	8.66
AHRENS GROUP PTY LTD	8,833,000	7.17
L J A WELDING PTY LTD	5,446,329	4.42
MARLOT PTY LTD	4,807,324	3.90
TIVOLICO PTY LTD	4,209,276	3.42
TIG TECH PTY LTD	4,186,329	3.40
BENSON FAMILY HOLDINGS P/L	3,897,163	3.16
MR JOHN POWER	3,401,453	2.76
EFFJAY HOLDINGS PTY LIMITED	2,316,801	1.88
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,006,412	1.63
R & B INVEST PTY LTD	1,700,000	1.38
SAGIMO HOLDINGS PTY LTD	1,301,208	1.06
MRS KARYN MAY MCCLELLAND	1,229,012	1.00
SAUNDERS EMPLOYEE SHARE PLAN PTY LTD	1,118,711	0.91
DONALD CANT PTY LTD	1,057,931	0.86
MR GEOFFREY MERVYN BLADON	1,035,711	0.84
PARMELIA PTY LTD	755,969	0.61
Total	103,946,335	84.36%

Board of Directors Information and Profiles



Board of Directors Information and Profiles

Nicholas Yates
Chair

Nicholas has over 35 years of experience in engineering services and construction. He has held several CEO and Board positions in both listed and private companies, including Chief Executive, Infrastructure ANZ at Transfield Services, followed by Chief Executive Officer and now Chair of ASX-listed BSA Limited.

Nicholas was appointed to the Saunders Board in September 2020 and has since served as a Non-Executive Director and a Member of the Remuneration Committee and Audit and Risk Committee. He was appointed Chair on 1 July 2023.

Mark Benson
Managing Director and Chief Executive Officer

With an executive career spanning over 30 years, Mark is a seasoned leader in the engineering and construction industry.

Prior to joining Saunders, Mark served as the General Manager of RCR Energy, a division of ASX-listed RCR Tomlinson. He also held senior executive positions with RICO, HIS Engineering, VRBT Group and major utility alliances including AGL, Origin, and NRG.

Mark was appointed as Managing Director and Chief Executive Officer, and a Director of the Saunders Board in 2015.

Greg Fletcher
Non-Executive Director

Greg is a company director who retired from the Deloitte partnership in 2009 to pursue board roles.

He currently holds the position of Co-Vice Chairman, Lead Independent Director, Audit and Risk Committee Chair and Remuneration and Nomination Committee Member at Yancoal Australia Limited. Greg is Chair of Audit and Risk Committees at the Western Sydney Local Health District, Bradfield Development Authority and Advanced Manufacturing Readiness Facility. Additionally, he is a Member of the NSW Police Force and the NSW Health Infrastructure Audit & Risk Committees.

Greg has been a Director on the Saunders Board since July 2015 and is Chair of the Audit and Risk Committee and Member of the Remuneration Committee.

Corporate Directory

BOARD OF DIRECTORS

Nicholas Yates
Chair

Mark Benson
Managing Director and Chief Executive Officer

Greg Fletcher
Non-Executive Director

AUDITORS

Deloitte Touche Tohmatsu
8 Parramatta Square
Level 37, 10 Darcy St
Parramatta NSW 2150

PRINCIPAL BANKER

Commonwealth Bank
Corporate Financial Services
Level 1, 430 Forest Rd
Hurstville NSW 2220

SHARE REGISTER

MUFG Corporate Markets (AU) Limited
Liberty Place
Level 41, 161 Castlereagh Street
Sydney NSW 2000
Phone (02) 8280 7111

STOCK EXCHANGE LISTING

Australian Securities Exchange
20 Bridge St
Sydney NSW 2000

HEAD OFFICE

Level 1, 3 Rider Boulevard
Rhodes NSW 2138
(02) 9792 2444

WEBSITE

www.saundersint.com