

# 2025 Annual Report



**Downer** 

## ACKNOWLEDGEMENT OF COUNTRY

Downer acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and the Traditional Custodians across Australia.

We acknowledge and pay our respects to the Elders of the past, present and future in maintaining the culture, Country and their spiritual connection to the land.

## WHAKATAUKI

Ko te whānau, ko te manaaki, ko te kairangatira, ko te ngākau pono ngā tikanga tuku iho hei korowai mo tatou. Ko te Kauri i whakawhiwhi haumarū, ko te Rimu i whakawhiwhi taonga, ko te Tōtara i whakawhiwhi whanaungatanga, ko te Kahikatea i whakawhiwhi whakaaro matakite.

Ngā pou e wha i aumangea ai te whakatauki 'Mā te whanaungatanga ka angitū'.  
Hui e! Taiki e!

We are held together by our closely held values of family and relationships, care and respect, excellence and integrity. The Kauri connects us to Safety, the Rimu connects us to Delivery, the Tōtara connects us to Relationships and the Kahikatea connects us to Thought Leadership.

These are our four Pillars upon which we build 'Relationships creating success'. United and ready to move forward!

## Important notice and disclaimer

The information in this report has been prepared by Downer EDI Limited ABN 97 003 872 848 (Downer or the Company), both to meet the requirements of the Corporations Act 2001 (Cth) and applicable parts of the Financial Markets Conduct Act 2013 (NZ) in relation to the climate statement.

This report may contain statements that are, or may be deemed to be, forward-looking statements. Such statements can generally be identified by the use of words such as "likely", "looking-forward", "expect", "predict", "will", "may", "intend", "seek", "would", "continue", "plan", "objective", "estimate", "potential", "anticipate", "believe", "risk", "aim", "forecast", "assumption", "projection", "forecast", "target", "goal", "outlook", "guidance" and similar expressions. Indications of plans, strategies, management and company objectives, potential transactions, sales and financial performance are also forward-looking statements. Such statements are not guarantees of future performance, and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are outside the control of the Company. No representation is made or will be made that any forward-looking statements will be achieved or will prove to be correct.

Readers are cautioned not to place undue reliance on forward-looking statements (including in the climate statement), particularly in the light of the current economic climate and the significant volatility and uncertainty, as well as the significant uncertainty in climate metrics and modelling, and the Company assumes no obligation to update such statements. Past performance information in this report is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Forward-looking statements and statements regarding other information contained in this report may also be made – verbally and in writing – by members of the Company's management in connection with this report. Such statements are also subject to the same limitations, uncertainties and assumptions which are set out in this report.

Certain financial data included in this report is 'non-IFRS financial information'. The Company believes that this non-IFRS financial information provides useful insight in measuring the financial performance and condition of Downer. Readers are cautioned not to place undue reliance on any non-IFRS financial information included in this report. These measures have not been subject to audit or review.

This report contains certain climate-related and other forward-looking statements and metrics, including, but not limited to plans, strategies and objectives of management and the Company; assumed short-, medium- and long-term scenarios; potential global responses to climate change; and the potential effect of possible future events on the Company. These statements are subject to significant uncertainties, assumptions, limitations, known and unknown risks and other factors – many of which are beyond our control, and which may cause actual outcomes to differ materially.

In particular, there are inherent limitations with scenario analysis, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenarios do not constitute definitive outcomes for us. A scenario is not a projection or forecast; rather, each scenario is one alternative image of how the future can unfold. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and may or may not eventuate, and scenarios may be impacted by additional factors to the assumptions disclosed. No assessment of the likelihood of scenarios was made.

Please read the specific information relating to uncertainties, limitations and assumptions disclosed throughout the climate statement.

The information in this report should be read in conjunction with the qualifications and guidance included in this report as well as Downer's 2025 Sustainability Report available at [www.downergroup.com](http://www.downergroup.com).

## Third party reliance

The information contained, and the views expressed, in this report may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness, or reliability of the information or any assumptions underlying it. This report should not be relied upon as recommendation or forecast by Downer.



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Downer employees delivering the Roopena Substation in Whyalla, South Australia.

# Highlights

Delivering year-on-year improvement



Statutory NPAT

**\$149.1m**

**+82%** on FY24

NPATA<sup>1</sup>

**\$279.4m**

At the top of the underlying  
NPATA<sup>1</sup> guidance range

**+33%** on FY24

EBITA<sup>1</sup>

**+25%**

**\$474.2m** underlying EBITA<sup>1</sup>

Cost out

**\$213m**

Annualised gross cost out

Exceeded **\$200m** upsized target

Total dividend

**24.9cps**

89% franked v 32% in FY24

63% payout ratio v 58% in FY24

**+46%** on FY24

Final dividend

**14.1cps**

100% franked, 65% payout ratio

Payout target range increased to  
60%-70% of U-NPATA

Safety

**20%** TRIFR reduction

to **2.04**

Safety

**6%** LTIFR reduction

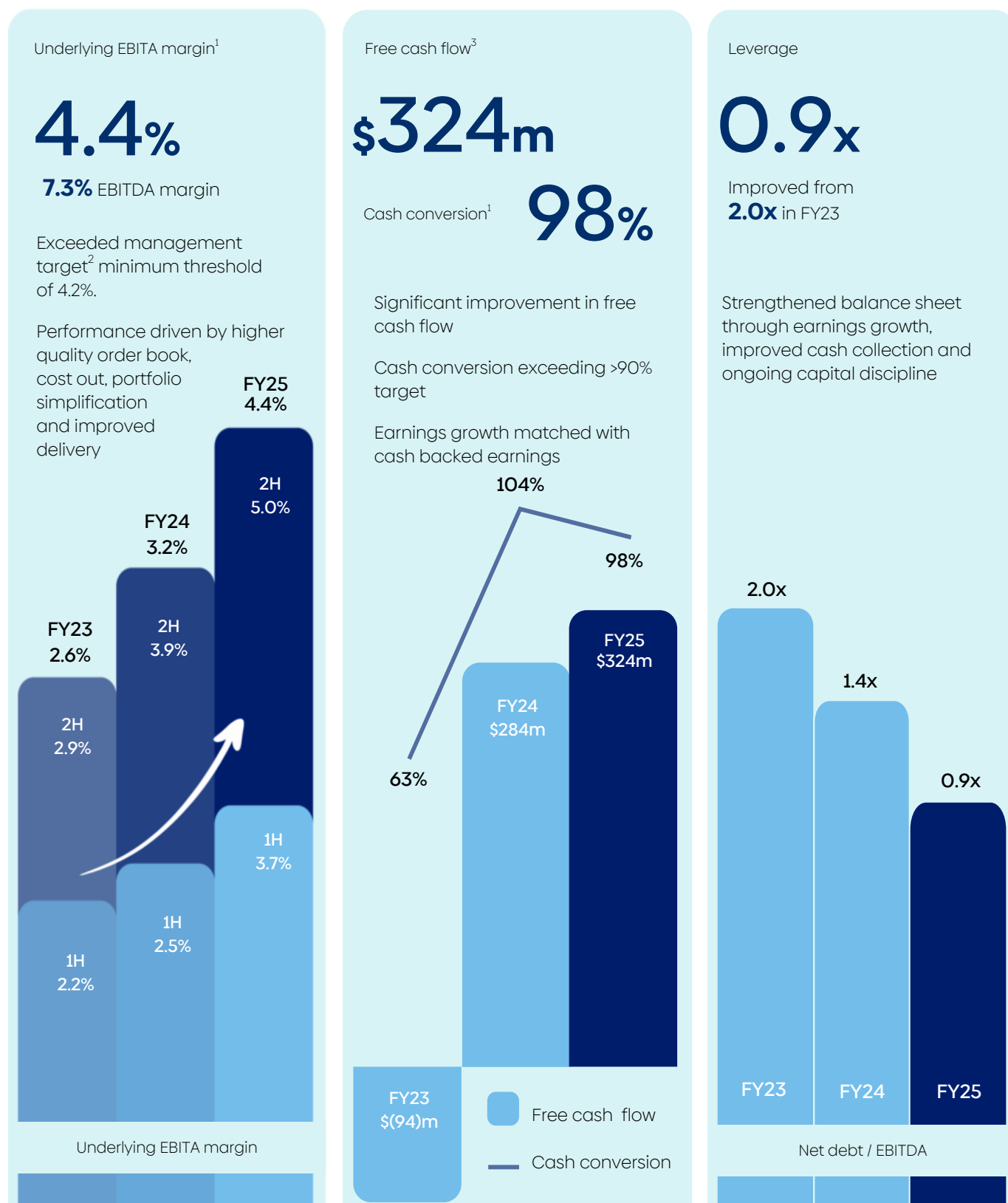
to **0.83**

<sup>1</sup> Underlying EBITA, NPATA and normalised cash conversion are non-IFRS measures that are used by management to assess the performance of the business. They have been calculated from the statutory measures and defined in the Directors' Report Group Financial Performance section on pages 27 and 29.

<sup>2</sup> The management targets,  $\geq 4.2\%$  minimum threshold EBITA margin in FY25 and  $> 4.5\%$  average EBITA margin across FY25 and FY26, are incorporated into Downer's long-term incentive plan and are not provided as guidance.



## Margin uplift supported by strong cash conversion



- Underlying EBITA, NPATA and normalised cash conversion are non-IFRS measures that are used by management to assess the performance of the business. They have been calculated from the statutory measures and defined in the Directors' Report Group Financial Performance section on pages 27 and 29.
- The management targets,  $\geq 4.2\%$  minimum threshold EBITA margin in FY25 and  $>4.5\%$  average EBITA margin across FY25 and FY26, are incorporated into Downer's long-term incentive plan and are not provided as guidance.
- Free cash flow is calculated as operating cash flow, less payments of net capital expenditure, principal lease payments and advances to/ from JVs.

# Chair and CEO message

Our purpose  
**Enabling  
communities  
to thrive**

Financial Year 2025 was another period of steady progress for Downer.

Over the past two-and-a-half years, we have taken steps to reshape Downer into a more focused and disciplined organisation. By simplifying our portfolio, focusing on delivery, enhancing risk management, and embedding a culture of accountability, we are building a stronger foundation for long-term value creation.

There is still work to do for Downer to reach our potential, but the progress is reflected across our performance metrics.

## Improved financial performance

Downer continued to deliver year-on-year improvements and achieve key targets.

We continued our focus on quality of earnings, achieving an underlying margin of 4.4% in FY25 – this exceeded the management target of at least 4.2% and was an improvement on 3.2% in FY24.

Underlying NPATA of \$279.4 million was a 33% increase on FY24, and at the top end of our guidance range, while statutory NPAT increased 82% to \$149.1 million. Pro forma EBITA of \$458.7 million increased by 20% on FY24, driven by an uplift in performance in Energy & Utilities and Transport, and ongoing strong performance in Facilities.

EBITA and NPATA growth was backed by strong normalised cash conversion of 98% exceeding our >90% target. Downer's balance sheet continued to strengthen, with net debt to EBITDA of 0.9x (down from 1.4x) providing considerable capital management flexibility.

Downer's strategic focus remains on improving revenue quality, project delivery excellence, and a market-leading cost to serve. Pro forma revenue, adjusted for assets held for sale, reduced by 2.5% to \$10.6 billion, primarily driven by the application of our enhanced risk guardrails, and selective tendering. Organic growth was observed in Power, Water and Rail. The run-off of underperforming contracts in Water and Power Maintenance was largely completed in FY25. Softness previously flagged in Australian Road Services and New Zealand markets continues, alongside the adoption of strengthened risk guardrails in Hawkins and Industrial & Energy.

Our cost-out program that commenced in 2023 has now achieved \$213 million<sup>1</sup> of benefits, exceeding the upsized target of \$200 million.

The Board has declared a final ordinary dividend of 14.1 cents per share, taking the total dividend for the year to 24.9 cents per share, 89% franked, which represents a payout ratio of 63%.

In a year that also had areas of market softness, this result builds on the foundations laid through the transformation program that commenced in 2023.

## On-market share buy-back

On 21 August 2025, Downer announced its intention to undertake an on-market share buy-back of up to \$230 million (approximately 5% of issued capital), dependent on market conditions, prevailing share price, trading volumes and other relevant factors. The buy-back initiative has been enabled by a strong balance sheet and high operating cash conversion, and is a clear sign of our improving operational performance as well as the growing confidence in Downer's financial strength and outlook.

The buy-back aligns with Downer's capital allocation framework, and we consider it to be an effective mechanism to return value to shareholders while preserving the flexibility to support sustainable growth. We have completed a strategic review of our sources of capital and funding requirements over our business plan period. We continue to monitor the role of our ROADS securities in our capital structure.

## Turnaround on-track

Leadership transformation has been a cornerstone of our turnaround. With 75% of the Executive Leadership Team and 26% of the Senior Leadership Team either promoted or newly appointed, the refreshed leadership structure is driving operational and cultural renewal. A key milestone in FY25 was the launch of The Downer Difference – our shared commitment to a high-performance culture. The Downer Difference is grounded in three cultural behaviours – focusing on accountability (We own the outcomes), customer-centricity (We do it for our customers), and inclusion (We stand for each other). Our business performance framework continues to mature with a strengthening risk management framework.

<sup>1</sup> Cumulative annualised gross cost out achieved since transformation program initiated in Feb-23.



At a Board level, the Project Governance Committee is responsible for oversight of opportunities and contracts to ensure alignment with our strategy, capability and capacity to deliver within acceptable risk profiles. At a Management level, quarterly business reviews and monthly project reviews continue to support transparency, and the Board Risk Appetite Standard has been operationalised in each Business Unit, driving disciplined decision making when pursuing opportunities.

The composition of our portfolio has undergone significant change. During the year, we divested several non-core businesses – including New Zealand Catering, Australian Cleaning, and New Zealand Cleaning – and completed our exit from the Australian laundries business. We also entered into an agreement with Keolis Group to sell our 49% interest in Keolis Downer, with completion, subject to Foreign Investment Review Board (FIRB) approval and other customary conditions, expected by late 2025. These divestments largely close out our portfolio simplification program, which has sharpened the company's focus on core markets and growth opportunities aligned to our technical strengths and core capabilities.

## Zero Harm commitment

Keeping our people safe is Downer's number one priority. In FY25, we continued to embed a high-performance safety culture grounded in accountability – empowering teams to work smarter, speak up, and adapt to changing work conditions. We focused on visible leadership, with Downer leaders actively engaging with frontline teams through open dialogue, listening to and learning from frontline experiences.

Downer's Lost Time Injury Frequency Rate for FY25 was below our target of <0.90 at 0.83, and lower than the FY24 result of 0.88. Our Total Recordable Injury Frequency Rate was below the target of <3.00 at 2.04, and also lower than our FY24 result of 2.54.

We are also committed to reducing the impact of our operations on the environment. This year, Downer has included our Climate Statement in the Annual Report, detailing Downer's GHG emissions reduction targets and strategies, and analysing climate-related risks and opportunities. This inclusion supports Downer's preparation for the upcoming Australian Sustainability Reporting Standards, which take effect next year for Downer.



## Looking ahead

Downer's FY25 performance demonstrates that our turnaround is on-track. We enter FY26 with clear momentum and growing confidence that the right foundations are being laid for the next phase of our transformation – a measured transition focusing on sustainable growth. Importantly, we believe our potential has not yet been realised, and remain committed to unlocking further value.

In FY26, we will continue the execution of our strategy underpinned by our back-to-basics approach. We have commenced our transition to sustainable growth and our priorities remain the safety of our people, embedding our high-performance culture, developing our leadership capability, disciplined risk management, project delivery excellence, and cost to serve optimisation.

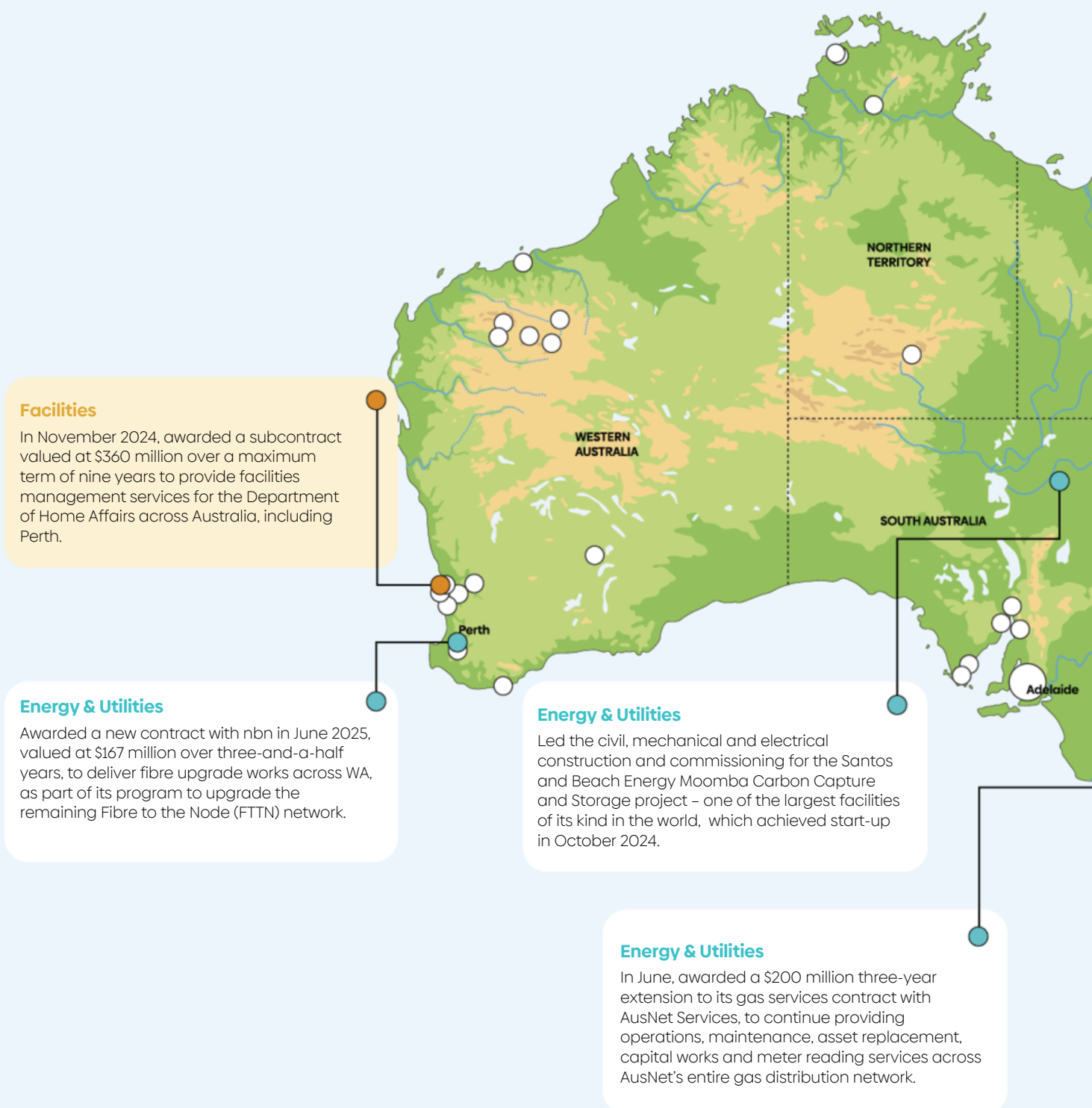
The transformation of Downer has been anchored in a clear strategy that targets the most attractive markets, focusing on areas where we can win and build capability. FY25 reflects steady progress: improving financial performance, refining our portfolio, and embedding a high-performance culture.

We are more capital light, with a simplified business, diversified by sector and with a highly regarded portfolio. We are well positioned for sustainable growth in the years ahead.

**Mark Menhinnitt**  
Downer Chair

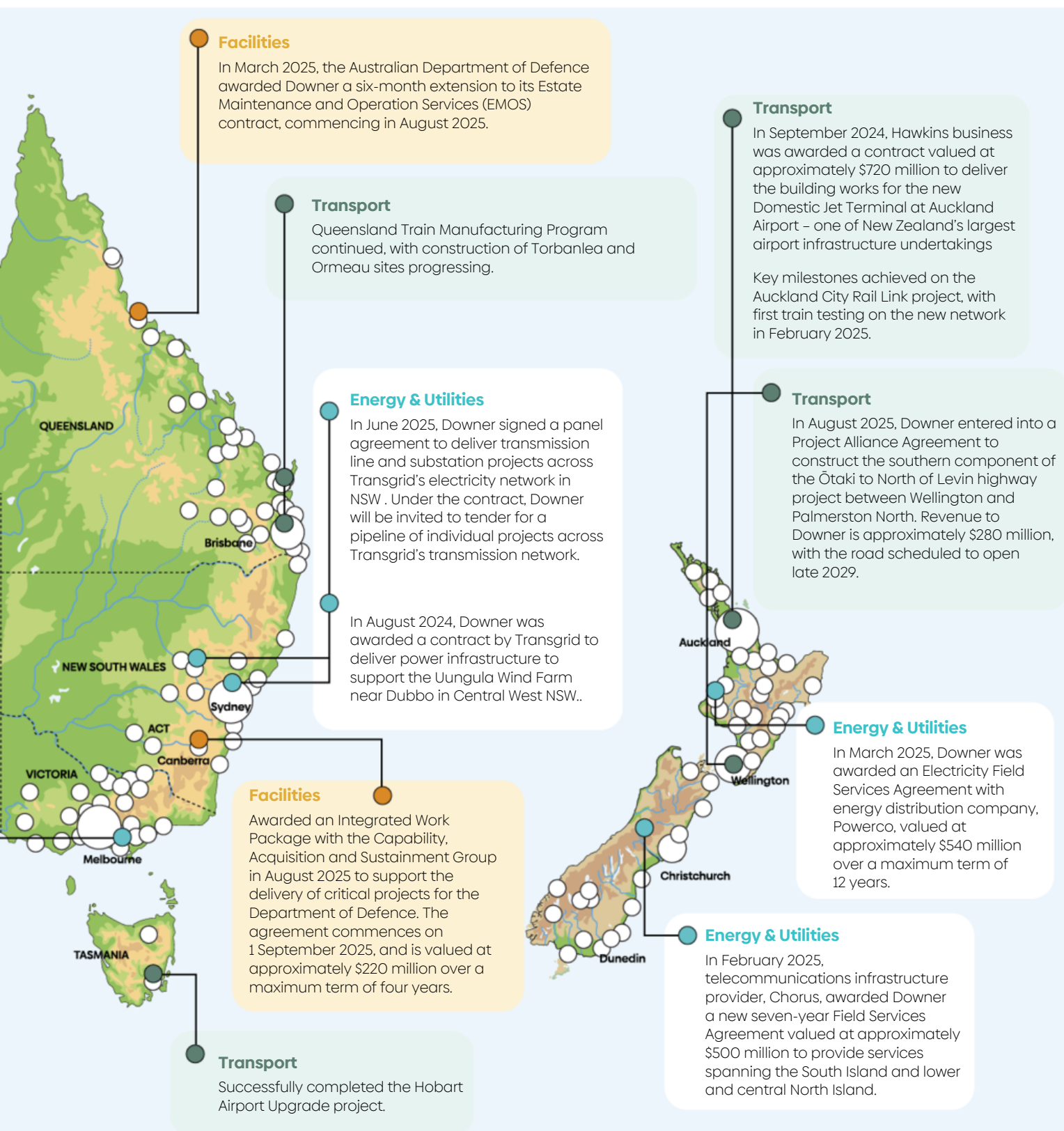
**Peter Tompkins**  
Chief Executive Officer

# Significant size, scale and breadth of capability





Downer's geographical footprint spreads across Australia and New Zealand, operating at more than 500 sites covering all corners of both countries. In FY25, Downer continued to win new work across the sectors and regions in which we operate.



# The Downer ecosystem





## About Downer

Downer EDI Limited (Downer) is a leading provider of integrated services across Australia and New Zealand, delivering and maintaining essential infrastructure that enables communities to thrive.

The demand for our services is shaped by investment in the energy transition, defence capability, government services and infrastructure expansion necessary to support population growth, and local industry revitalisation.

The sectors where we operate include roads, rail, ports and airports, power, gas, water, telecommunications, energy networks, health, education, defence, and other government sectors.

Downer is one of Australia's and New Zealand's largest private sector employers, with approximately 26,000 people, who are united by our high-performance culture, known as 'The Downer Difference'.

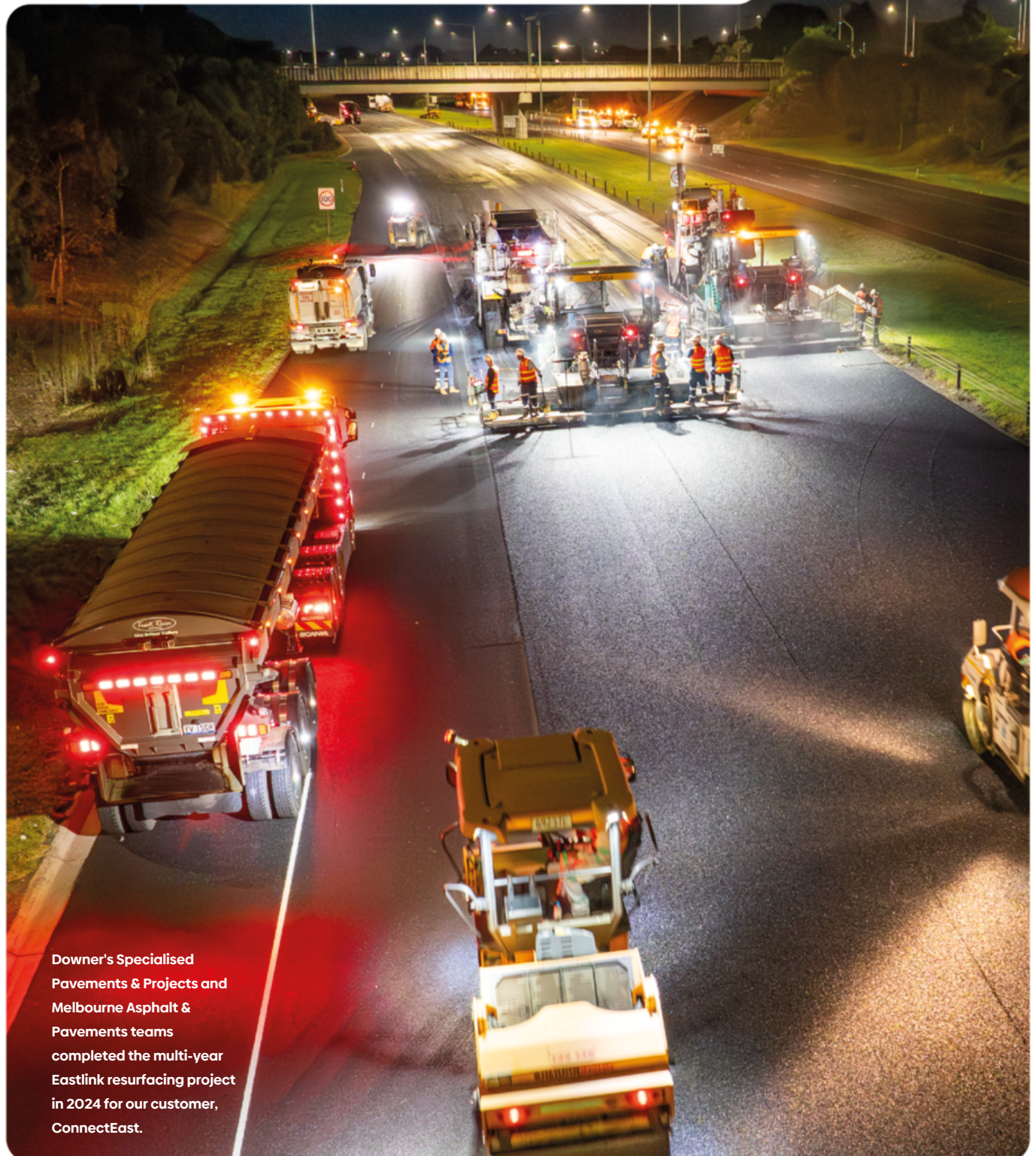
For more information visit [downergroup.com](https://downergroup.com).





# Business segment performance

Downer's three operating segments demonstrated steady progress in FY25, with each delivering an uplift in earnings.



Downer's Specialised Pavements & Projects and Melbourne Asphalt & Pavements teams completed the multi-year Eastlink resurfacing project in 2024 for our customer, ConnectEast.



# Transport

## Road Services

## Rail & Transit Systems

### Projects

Revenue increased by 0.1% or \$6.8 million, to \$5.4 billion. EBITA increased by 11.1% or \$27.7 million to \$278.0 million.

Revenue was impacted by softer trading in New Zealand Transport as key projects near completion, Hawkins' tightened risk profile, end of Yarra Trams contract, and reclassification of Keolis Downer to an asset held for sale.

An uplift in earnings was driven by stronger performance across Road Services and Projects, along with disciplined cost control and better project execution, resulting in higher margins. Rail & Transit Systems also contributed to this improvement with margin growth from manufacturing projects.

## Highlights

- Hawkins awarded a contract in September 2024 valued at NZ\$800 million (approximately \$720 million) to deliver the building works for the new Domestic Jet Terminal at Auckland Airport.
- Improved volumes from Australian road surfacing, albeit still below historical averages.
- Key milestone achieved on the Auckland City Rail Link project, with first train testing on network in February 2025.
- Design and construction of QTMP progressing well, with some weather impacts in FY25. The first prototype train is currently being manufactured, with testing in QLD from late 2026.
- Entered into an agreement to sell 49% interest in Keolis Downer. Improved FY25 EBITA of \$14.4m.
- In August 2025, entered into a Project Alliance Agreement to construct the southern component of the Ōtaki to North of Levin highway project between Wellington and Palmerston North on the New Zealand North Island. Revenue to Downer is approximately \$280 million, with the road scheduled to open late 2029.

### Revenue<sup>1</sup>

**\$5.4bn** ▲ 0.1%

	\$m
FY23	4,988.8
FY24	5,360.7
FY25	5,367.5

### EBITA<sup>1</sup>

**\$278.0m** ▲ 11.1%

FY23	231.5
FY24	250.3
FY25	278.0

### EBITA margin<sup>1</sup>

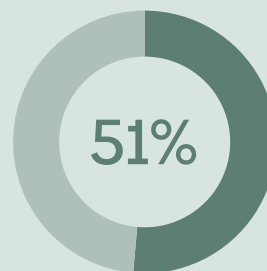
**5.2%** ▲ 0.5pp

FY23	4.6%
FY24	4.7%
FY25	5.2%

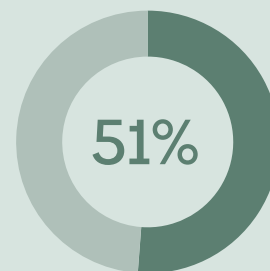
Supported by strong medium-term sector fundamentals

### Segment % of FY25 total<sup>2,3</sup>

#### Revenue



#### EBITA



1. Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Annual report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods.
2. Revenue is a non-statutory disclosure and includes revenue, other income and notional revenue from joint ventures, other alliances not proportionately consolidated.
3. Downer calculates EBITA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.

# Energy & Utilities

Telecommunications	Water
Power & Gas	Industrial & Energy

Revenue decreased by 7.7% to \$3.0 billion, while EBITA increased by 43.9% to \$121.7 million.

Decline in revenue due to the planned exit from underperforming and loss-making contracts and projects, as well as reduced demand in Telecommunications and deferral of some Industrial & Energy projects.

Earnings improved on the back of strong performance in Australian power projects (including transmission line and substation projects), and the remediation of legacy water and network services contracts. Continued integration of Utilities and Industrial & Energy businesses is unlocking overhead efficiencies.

## Highlight

- Secured a number of telecommunications contracts, including Chorus Field Services Agreement (\$500 million over seven years), Telstra Wireless Network Modernisation (\$200 million over three years, plus two one-year extension options), and nbn Node to Premise (\$167 million over three years, plus two-year extension option).
- The Power Projects business delivered a strong result, driven by successful execution of major transmission and substation projects. Key contributors included improved project delivery, growing momentum in energy transition initiatives, and strengthened client trust – reflected in repeat engagements and new tender wins that have bolstered the forward order book.
- AusNet Services awarded a further three-year extension to its gas services contract, valued at approximately \$200 million.
- Non-renewal and demobilisation of margin-dilutive \$200 million p.a. Victorian Power Maintenance contract, which completed in July 2025.
- Awarded Electricity Field Services Agreement with New Zealand energy distribution company, Powerco, valued at approximately \$540 million over a maximum term of 12 years.

### Revenue<sup>1</sup>

**\$3.0bn** ▼ 7.7%

FY23	3,089.2	\$m
FY24	3,260.2	
FY25	3,009.5	

### EBITA<sup>1</sup>

**\$121.7m** ▲ 43.9%

FY23	6.7
FY24	84.6
FY25	121.7

### EBITA margin<sup>1</sup>

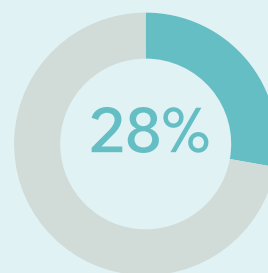
**4.0%** ▲ 1.4pp

FY23	0.2%
FY24	2.6%
FY25	4.0%

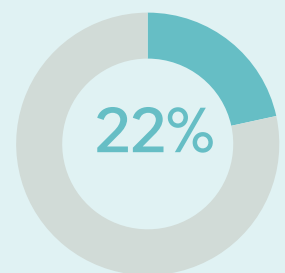
Positioned to benefit from key macro trends to target above cycle growth in Power and Water

### Segment % of FY25 total<sup>2,3</sup>

#### Revenue



#### EBITA



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# Facilities

## Government

## Health

## Education

## Defence

Revenue increased by 0.1% or \$1.5 million, to \$2.2 billion, while EBITA increased by 1.5% or \$2.3 million to \$150.7 million. EBITA margin of 7.0% increased by 0.1%.

Steady revenue supported by selective tendering, pricing discipline, and the application of risk guardrails.

Maintained strong profit margins, driven by disciplined contract delivery, turnaround of underperforming contracts and cost efficiency improvements. Defence and Government businesses delivered year-on-year EBITA growth, and Health and Education PPPs continue to perform well.

## Highlights

- Awarded a subcontract valued at ~\$360 million over a maximum term of nine years to provide facilities management services to Department of Home Affairs.
- Received six-month extension to Estate Maintenance and Operation Services contract with Australian Department of Defence, commencing in August 2025.
- Awarded contract by Defence to provide professional services to support delivery of critical projects. Valued at \$220 million over maximum term of four years.
- Successful mobilisation and ramp up of Responsive and Programmed Maintenance services contract with Homes NSW across Sydney and southern NSW.
- Completed divestment of non-core businesses Catering (New Zealand), Cleaning (Australia) and Cleaning (New Zealand), resulting in workforce reduction of approximately 5,000.
- Named 2025 Australian Prime Contractor of the Year at the Australian Defence Industry Awards, and 2024 New Zealand Prime Contractor of the Year at the New Zealand Ministry of Defence Awards for Excellence to Industry.

### Revenue<sup>1</sup>

**\$2.2bn** ▲ 0.1%

FY23	2,209.3	\$m
FY24	2,161.9	
FY25	2,163.4	

### EBITA<sup>1</sup>

**\$150.7m** ▲ 1.5%

FY23	156.8
FY24	148.4
FY25	150.7

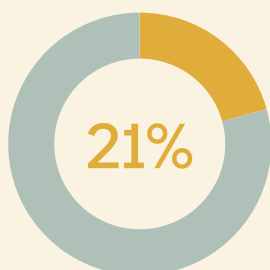
### EBITA margin<sup>1</sup>

**7.0%** ▲ 0.1pp

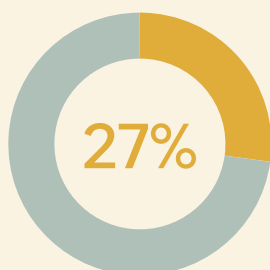
FY23	7.1%
FY24	6.9%
FY25	7.0%

## Segment % of FY25 total<sup>2,3</sup>

### Revenue



### EBITA



Long-term contracts delivering essential services to high quality customer base

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# Segments at a glance

## Transport

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Road Services

Rail & Transit Systems

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Projects

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Downer is a market leader in transport infrastructure, providing end-to-end solutions that support safe, efficient and reliable journeys across Australia, New Zealand and the Pacific.



### Road Services

Downer manages and maintains road networks across Australia and New Zealand and manufactures and supplies products and services to enable safe, efficient and reliable journeys. Downer is one of the few companies with a mature, integrated offering across the Road Services value chain.

We deliver solutions to our customers' challenges through strategic asset management and a leading portfolio of products and services. We are a leading manufacturer of bitumen-based products and an innovator in the sustainable asphalt industry, using recycled products and environmentally sustainable methods to produce asphalt.

Downer also has an extensive history of delivering airport infrastructure and surfacing projects across Australia, New Zealand, and the Pacific Islands.

**More than 50,000 kilometres of roads maintained across Australia and New Zealand**

**More than 1.2 million m<sup>2</sup> airfield pavements upgraded / maintained across Australia and New Zealand**



## Projects

Downer delivers multi-disciplined infrastructure solutions to customers within the transport sector in New Zealand and the Pacific. Services include the design and construction of light rail, heavy rail, signalling, track and station works, rail safety technology, bridges, roads and vertical construction (through Downer's Hawkins business).

Downer has a long history of delivering infrastructure projects under a variety of contracting models and collaborative partnerships.

Downer's integrated capabilities enable intelligent transport solutions, road network management and maintenance.

**More than 13,000 tonnes of steel erected per annum**

**More than 200,000m<sup>3</sup> of concrete poured per annum**

## Rail & Transit Systems

Downer is a leading provider of rollingstock asset management services in Australia.

We have more than 155 years' experience delivering innovative transport solutions designing, building and maintaining flagship rollingstock projects across the country. Downer has capabilities in infrastructure, rail systems, operation and maintenance, and system integration by leveraging its trusted partnerships with international OEMs.

Downer is one of Australia's largest providers of rollingstock asset management services for passenger rail, as well as a partner for the freight rail market.

Downer offers customers design, manufacture and maintenance, decarbonisation and digital solutions that have been developed from our extensive experience in building and maintaining passenger fleets in Queensland, New South Wales, Victoria and Western Australia and Western Australia.

**3,000+ rollingstock units built**

**2,000+ rollingstock units maintained**

**3,000+ rollingstock units overhauled**

# Energy & Utilities

Power & Gas	Telecommunications
Water	Industrial & Energy

Downer is a market leader in designing, building, operating and maintaining critical energy, water and telecommunications infrastructure, delivering end-to-end solutions that support millions of people across Australia and New Zealand.

## Power & Gas

Downer's services include planning, designing, constructing and maintaining transmission and distribution power assets as well as gas network assets.

Downer provides end-to-end services to owners of utility assets. Downer constructs and maintains electricity and gas networks, provides asset inspection and monitoring services, connects tens of thousands of new customers each year and provides metering technology for efficient energy consumption for governments, utilities and corporations.

The business is well positioned to support the energy transition with a strong opportunity pipeline emerging.

**Constructed more than 2,750 kilometres of transmission lines and 70 substations over the past 10 years**

**24,000 new gas connections per year**

## Water

Downer delivers complete water lifecycle solutions for municipal and industrial water users.

In Australia, Downer supports water and wastewater services to approximately 13 million Australians – which equates to approximately half the population.

Downer's expertise includes water treatment, wastewater treatment, water and wastewater network design, construction, maintenance and rehabilitation, desalination and biosolids treatment.

As a provider of asset management services, Downer supports its customers across the full asset lifecycle from conceptual development through to design, construction, commissioning and into operations and maintenance.

**Water and wastewater services to more than 14 million people across Australia and New Zealand**







## Telecommunications

Downer's expertise includes integrated civil construction, electrical, fibre, copper and radio network deployment capability. Downer provides end-to-end technology, communication and metering service solutions, partnering with customers to build and strengthen their networks and infrastructure.

Working with Australia and New Zealand's largest telecommunications and technology providers, Downer delivers integrated civil construction, electrical, fibre, copper and radio network deployment capability.

Key capabilities include design, engineering, consulting, maintenance and smart meter installation.

**Enabled 1.8 million premises across Queensland, Western Australia, South Australia, the Northern Territory and New South Wales to upgrade to broadband services**

**More than 6.6 million metres of fibre cable blown through the UFB network in New Zealand**

## Industrial & Energy

Downer is a leading provider of end-to-end asset lifecycle and specialist services to Australia's critical economic infrastructure including the power generation, future energy, oil, gas, industrial, and mineral processing sectors.

Our key capabilities cover a full range of services including maintenance, shutdowns, turnaround and outage delivery, equipment overhauls and modifications, sustaining capital programs, manufacturing, project development and commissioning services. Through our Mineral Technologies business, Downer is a leading provider of fine physical mineral separation solutions.

**More than 50 years supporting Australia's industrial hubs**

**Provide maintenance and outage services essential in running Australia's power stations, servicing customers that supply 50% of the National Electricity Market.**

# Facilities

Government

Education

Defence

Health

Downer provides end-to-end facilities management services across defence, health, education and government sectors, supporting critical operations through comprehensive solutions that enhance environments, maintain essential assets and enable high-quality service delivery.

## Defence

Downer provides a broad range of professional services, base and estate management, and estate development and base upgrade services to the Australian Defence Force, the New Zealand Defence Force and other government agencies.

We have a comprehensive Defence capability lifecycle offering and mindset. Our sovereign industry capability delivers to the needs of Defence and other government agencies.

**An ongoing relationship of more than 80 years supporting the Australian Defence Force**

**2,000+ in-house Defence security cleared staff**

**Enable the support of approximately 40,000 Defence personnel**

## Health

Downer has supported the operation of hospitals across Australia and New Zealand for over 40 years.

From Australasia's largest metropolitan hospitals to regional health hubs, we take care of essential services so our customers can focus on what matters most – delivering high-quality healthcare to our communities.

Downer's capabilities span facility and asset maintenance, facilities management help desks, patient support assistance, security, portering, cleaning, food services, car parking and traffic management, grounds and gardens, and retail management.

**Supporting outcomes for 500,000 patients every year**

**>4.2 million hours of support services delivered at healthcare facilities annually**



## Education

With more than 40 years of practical experience, Downer delivers facility and asset management solutions at leading schools and tertiary institutions in Australia and New Zealand.

Downer is experienced in operating under a variety of contracting models; working side by side with facility owners, staff, and students to shape service models that enhance learning environments.

We deliver integrated services such as catering, building and grounds maintenance, conserving energy with air-conditioning and lighting solutions and supporting a secure environment.

**Supporting the learning of 140,000+ primary, secondary and tertiary students**

**Serving 50+ schools in Australia and New Zealand**

## Government

Downer is one of the largest integrated facilities management services providers in Australia and New Zealand, delivering property and facilities management services to government departments, agencies and authorities.

Downer provides management of its customers' assets across their lifecycle.

With more than two decades in the Public Housing sector, we deliver multi-trade maintenance services around the clock, 365 days a year to customers in Australia and New Zealand. We also retrofit and upgrade services to maintain and modernise housing for tenant experience.

Downer also partners with operators of corrections facilities – including prisons and Australian-based detention centres – to deliver maintenance services that underpin rehabilitation and security.

**6,000+ vacant public housing properties remediated for re-let per annum**

**450,000+ works programs completed on public housing dwellings each year**



# Directors' Report

for the year ended 30 June 2025

The Directors of Downer EDI Limited submit the Annual Financial Report of the Company for the financial year ended 30 June 2025. In compliance with the provisions of the *Corporations Act 2001* (Cth), the Directors' Report is set out below.

## Board of Directors



**Mark Menhinnitt (60)**

**Chair since March 2023**

**Independent Non-executive Director since March 2022**

Mr Menhinnitt is an experienced director and former senior executive with extensive domestic and international experience in large infrastructure development and urban regeneration, investment management, construction, asset services, operations and maintenance.

Mr Menhinnitt held several senior roles over a 30-year career with Lendlease, including as Chief Executive Officer of Lendlease Australia.

Mr Menhinnitt is currently a Non-executive Director of The GPT Group and Chair of Fluent Property Pty Ltd.

Mr Menhinnitt holds a Bachelor of Engineering (Mechanical) and Master of Business (Applied Finance), both from the Queensland University of Technology.

He is a member of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia. Mr Menhinnitt lives on the Sunshine Coast.



**Peter Tompkins (46)**

**Managing Director and Chief Executive Officer since February 2023**

Mr Tompkins was formerly Chief Operating Officer of Downer and prior to that was CEO and Managing Director of Spotless Group Holdings Limited.

Mr Tompkins has extensive experience in infrastructure, construction and maintenance services, both as an operational and Group executive.

Mr Tompkins joined Downer in 2008 and was appointed General Counsel in 2010.

Mr Tompkins holds a Bachelor of Laws and Bachelor of Commerce from Deakin University.

Mr Tompkins lives in Sydney.



**Peter Barker (57)**

**Independent Non-executive Director since July 2024**

Mr Barker is an experienced Non-executive Director and senior executive with experience in finance, risk management, corporate structuring including mergers, acquisitions and divestments, and systems transformation in complex multi-jurisdictional environments in the engineering, services and technology sectors.

Mr Barker has 14 years' experience as a Chief Financial Officer of ASX-listed multinational companies including Computershare Ltd and Cardno Ltd. Prior to this he held senior financial leadership positions with global corporations including BHP and Cisco Systems.

Mr Barker is currently a Non-executive Director of Workpac Group and Mastermyne Group Limited. Mr Barker has previously served as a Non-executive Director of Independent Cement & Lime Group.

Mr Barker holds a Bachelor of Commerce from the University of Queensland, a Master of Business Administration from Heriot-Watt University and is a graduate of the Wharton School of the University of Pennsylvania's Advanced Management Program. He is a member of the Australian Institute of Company Directors and is a Fellow of CPA Australia.

Mr Barker lives in Brisbane.



**Sheridan Broadbent (57)**

**Independent Non-executive Director since October 2023**

Ms Broadbent is an experienced Non-executive Director and senior executive with a background in business strategy, technology, business development, and health and safety in the utilities and telecommunications sectors. Having worked in both Australia and New Zealand and being based in Auckland, Ms Broadbent brings a deep understanding of the New Zealand market.

Ms Broadbent has held Chief Executive and senior executive roles in the energy, telecommunications and engineering sectors in the Asia Pacific region, including with Downer in Australia and New Zealand from 2007 to 2011.

Ms Broadbent is currently a Non-executive Director of NZX-listed Spark New Zealand and is the Chair of the Business Leaders' Health & Safety Forum in New Zealand.

Ms Broadbent has previously served as the Chair of Kordia Group, Chair of Pipeline and Civil Ltd, Non-executive Director of publicly-listed Manawa Energy Ltd, and Independent director of Transpower, Kaingaroa Timberlands and Waka Kotahi New Zealand Transport Authority, and as a member of the New Zealand Government's Cyber Security Advisory Committee.

Ms Broadbent holds a Bachelor of Commerce from the University of Auckland and is a graduate of Harvard Business School's Advanced Management Program and is chartered member of both the Australian Institute of Company Directors and the New Zealand Institute of Directors.

Ms Broadbent lives in Auckland.



### **Teresa Handicott (62)**

**Independent Non-executive Director since September 2016**

Ms Handicott is a former corporate lawyer with over 30 years' experience in mergers and acquisitions, capital markets and corporate governance. She was a partner of national law firm Corrs Chambers Westgarth for 22 years, serving as a member of its National Board for seven years including four years as National Chair. She also has extensive experience in governance of local and State government organisations.

Ms Handicott was a Council Member of the Queensland Division of the Australian Institute of Company Directors for nine years until stepping down in July 2024 having served two years as the State President.

Ms Handicott is a former Chair of PWR Holdings Limited, former Director of CS Energy Limited, a former member of the Queensland University of Technology (QUT) Council, the Takeovers Panel and Corporations and Markets Advisory Committee and a former Associate Member of the Australian Competition and Consumer Commission.

A Senior Fellow of FINSIA, Fellow of the Australian Institute of Company Directors and Member of Chief Executive Women, Ms Handicott holds a Bachelor of Laws (Hons) degree from the Queensland University of Technology.

Ms Handicott intends to retire at the conclusion of the Annual General Meeting in November 2025.

Ms Handicott lives in Brisbane.



### **Dr Adelle Howse (55)**

**Independent Non-executive Director since April 2022**

Dr Howse has extensive senior executive and non-executive experience in the infrastructure, energy and resources, construction, data centres, telecommunications and property sectors.

Dr Howse held several senior roles with CIMIC, including Chief Strategy Officer.

Dr Howse is currently a Non-executive Director of Macquarie Technology Group Limited, Scalare Partners, Sydney Desalination Plant Pty Limited and BAI Communications.

Dr Howse has previously served on the boards of Design Studio Group, Ventia, Nextgen Holdings and Manila North Tollroads Corporation.

Dr Howse holds a Bachelor of Science and Doctor of Philosophy (Mathematics) from the University of Queensland, an executive MBA from IMD, Switzerland and a Graduate Diploma of Applied Finance and Investment. She is a member of the Australian Institute of Company Directors.

Dr Howse lives in Sydney.





### Steven MacDonald (64)

**Independent Non-executive Director since September 2023**

Mr MacDonald was formerly the Managing Director of Zinfra and prior to that held several senior executive roles in Transfield Services Limited, including Chief Executive Officer for Marketing and Investments where he led mergers and acquisitions including their integration and transformation, Chief Executive Officer of Transfield Services Infrastructure Fund and Chief Strategy Officer.

Mr MacDonald is currently a Non-executive Director of Ausgrid, Chair of ERIC Alpha Holdings and its subsidiaries, Chair of Intera Renewables and a member of Palisade Investment Partners Investment Committee and the Water NSW Asset Advisory Group.

Mr MacDonald holds a Bachelor of Civil Engineering (Hons) from Melbourne University and is a member of the Australian Institute of Company Directors.

Mr MacDonald lives in Sydney.

### Retired Directors

#### Nicole Hollows

Independent Non-executive Director from 19 June 2018 to 15 November 2024.

## Directors' shareholdings

The following table sets out each Director's relevant interest (direct and indirect) in shares, debentures, and rights or options in shares or debentures (if any) of the Company at the date of this report. No Director has any relevant interest in shares, debentures and rights or options in shares or debentures, of a related body corporate as at the date of this report.

Director	Number of Fully Paid Ordinary Shares	Number of Fully Paid Performance Rights	Number of Fully Paid Performance Options
Mark Menhinnitt	92,748	–	–
Peter Tompkins <sup>1</sup>	330,483	1,075,076	–
Peter Barker	10,500	–	–
Sheridan Broadbent	7,590	–	–
Teresa Handicott	31,000	–	–
Adelle Howse	32,885	–	–
Steven MacDonald	29,852	–	–

1. Performance rights granted to Mr Tompkins are subject to performance and/or service period conditions over the period 2022 to 2028. Further details regarding the conditions relating to these restricted shares and performance rights are outlined in sections 6.5 and 9.2 of the Remuneration Report.

## Company Secretary

The Company Secretarial function assists the Company to comply with its statutory duties and maintains proper documentation, registers and records. It also provides advice to Directors and officers about corporate governance and gives practical effect to any decisions made by the Board.

Mr Robert Regan was appointed Group General Counsel and Company Secretary in January 2019. He has qualifications in law from the University of Sydney and is an admitted solicitor in New South Wales. Mr Regan was formerly a partner of a major commercial law firm and has over 30 years of experience in legal practice.

Mr Peter Lyons was appointed Company Secretary in July 2011. A member of CPA Australia and the Governance Institute of Australia, he has qualifications in commerce from the University of Western Sydney and corporate governance from the Governance Institute of Australia. Mr Lyons was previously Deputy Company Secretary and has been in financial and secretarial roles at Downer for over 20 years.

# Operating and Financial Review

## Principal activities

Downer EDI Limited (Downer) is a leading provider of integrated services across Australia and New Zealand, delivering and maintaining essential infrastructure that enables communities to thrive.

The demand for our services is shaped by investment in the energy transition, defence capability, government services and infrastructure expansion necessary to support population growth, and local industry revitalisation.

The sectors where we operate include roads, rail, ports and airports, power, gas, water, telecommunications, energy networks, health, education, defence, and other government sectors.

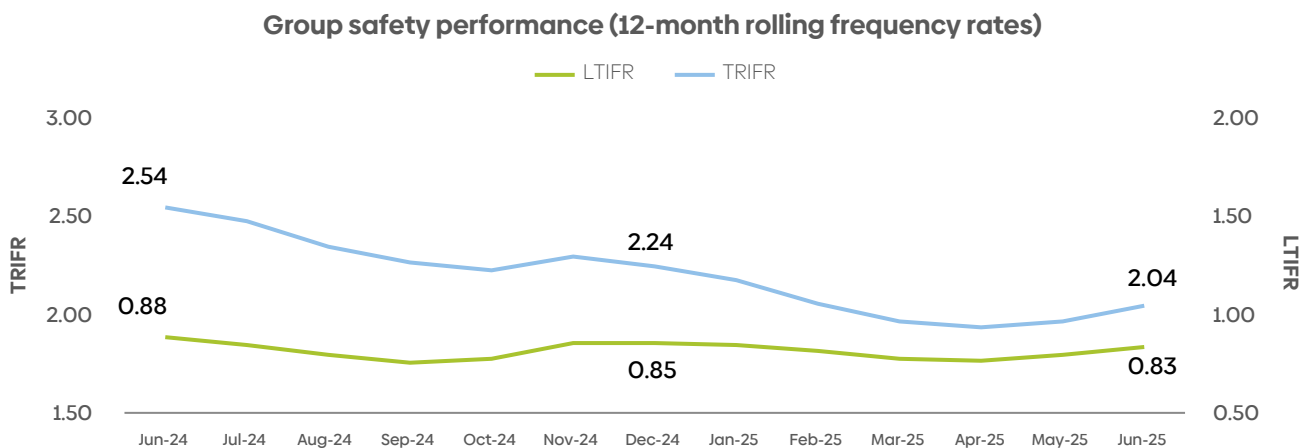
These sectors are served by Downer’s Transport, Energy & Utilities and Facilities segments.

## Zero Harm

Downer is steadfastly committed to Zero Harm, prioritising the protection of our people, communities, and the environment. Safety and preventing serious and fatal incidents remain our top priority.

Downer operates in some sectors that involve high-risk activities, and we are committed to continually improving our systems and processes, with a strong focus on critical control effectiveness. To support this, we implemented a Group-wide safety reset in 2024, with a commitment from operational leaders to take targeted action and introduce programs tailored to the specific needs of their work types. We recognise that improving safety performance requires a comprehensive approach combining active leadership, accountability, discipline, a positive safety-focused workplace culture, and effective risk controls.

At 30 June 2025, Downer’s Lost Time Injury Frequency Rate (**LTIFR**) decreased to 0.83 from 0.88 per million hours worked<sup>1</sup>, and our Total Recordable Injury Frequency Rate (**TRIFR**) decreased to 2.04 from 2.54 per million hours worked<sup>1</sup>, compared to 30 June 2024. There has been a significant focus on critical risk controls, strengthening of our safety culture, worker engagement and subcontractor oversight.



For further information refer to our 2025 Sustainability Report.

<sup>1</sup> Lost time injuries (LTI) are defined as injuries that cause the injured person (employee or contractor) to be unfit to perform any work duties for one whole day or shift, or more, after the shift on which the injury occurred, and any injury that results, directly or indirectly, in the death of the person. The LTIFR is the number of LTI per million hours worked. Total Recordable Injuries (TRI) are the number of LTI plus medically treated injuries (MTI) for employees and contractors. TRIFR is the number of TRI per million hours worked. LTIFR and TRIFR have been calculated on a 12-month rolling period.



## Sustainability

Downer's Purpose is 'Enabling communities to thrive', which articulates the positive impact that Downer's services have on millions of people each day. Our purpose underscores the importance of sustainable operations for our people, partners, shareholders, customers, and the communities where we operate. We are conscious of the impact our activities have on individuals, communities and the environment.

Safety and Sustainability are foundational pillars of our strategy. To Downer, sustainability means working to reduce our impact on the environment; as well as prioritising the safety of our people, building trusted relationships and having a diverse and inclusive workforce. This, combined with our financial performance, contributes to the creation of shareholder value.

We are strategically positioned to leverage our market presence, capabilities and sustainability commitment to collaborate with our customers to meet their needs in the energy transition. Further details on Downer's sustainability-related performance for the financial year ended 30 June 2025 can be found in our 2025 Sustainability Report.

Downer EDI Limited is a climate reporting entity for the purposes of the Financial Markets Conduct Act 2013 (NZ). Our 2025 Annual Report contains Downer EDI Limited's second climate-related disclosures that comply with the External Reporting Board Aotearoa New Zealand (XRB) Climate Standards 1, 2 and 3 (NZ CS) for that period. These disclosures inform stakeholders about Downer's governance of climate-related risks and opportunities, scenario analysis and our climate related plans including metrics and targets.

Our sustainability commitments are outlined in policies available at [www.downergroup.com](https://www.downergroup.com).

## Group financial performance

Downer's financial result for the twelve months to 30 June 2025 demonstrates the success of our transformation program, which enhanced contract margin performance, exceeded cost reduction targets and delivered improvements in EBITA margin performance across our businesses.

\$'m	Statutory			Underlying <sup>3</sup> (excl. ISI)			Pro forma <sup>4</sup> (excl. divestments and AHFS)		
	FY25	FY24	Change	FY25	FY24	Change	FY25	FY24	Change
Revenue <sup>1</sup>	10,531.5	11,050.8	(4.7) %	10,885.7	11,967.6	(9.0) %	10,566.2	10,832.2	(2.5) %
EBIT	283.2	180.5	56.9 %	453.2	357.7	26.7 %	437.7	359.8	21.7 %
EBITA <sup>2</sup>	310.7	203.6	52.6 %	474.2	380.8	24.5 %	458.7	382.9	19.8 %
EBITA <sup>2</sup> %	3.0 %	1.8 %	1.2 pp	4.4 %	3.2 %	1.2 pp	4.3 %	3.5 %	0.8 pp
NPATA <sup>2</sup>	168.4	98.3	71.3 %	279.4	210.1	33.0 %	264.2	211.3	25.0 %
NPAT	149.1	82.1	81.6 %	264.7	193.9	36.5 %	249.5	195.1	27.9 %

- Revenue includes revenue and other income. Total revenue for underlying and pro forma is a non-statutory disclosure and also includes notional revenue from joint ventures and other alliances not proportionately consolidated.
- Downer calculates EBITA and NPATA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.
- The underlying result is a non-IFRS measure that is used by management to assess the performance of the business and includes the contribution of divested businesses and assets held for sale. Non-IFRS measures have not been subject to audit or review.
- Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Annual report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.

## Improvement delivered across key financial metrics

- Statutory NPAT grew 81.6% to \$149.1 million, based on improved EBIT, with reduced impact of individually significant items (ISI) including divestments, restructuring charges and impairments, and lower net finance costs, partially offset by higher tax expense.
- Underlying NPATA grew by 33.0% to \$279.4 million which delivered at the top end of our \$265-280 million guidance range. Pro-forma NPATA grew by 25.0% to \$264.2 million (adjusted for the impact of divestments).
- Underlying EBITA margin increased to 4.4% compared to 3.2% in FY24.
- Pro forma EBITA of \$458.7 million grew by 19.8%.
- Pro forma revenue was \$10.6 billion which declined by 2.5% from FY24. Revenue grew in Power, Water, and Rail & Transit Services. This was offset by our risk guardrail reset in Transport Projects and softness in Australian Transport agency spend impacting Road Services, New Zealand discretionary maintenance spend on utilities and facilities, and reductions in Telecommunications and Industrial & Energy revenue.
- Growth in earnings was matched with normalised<sup>1</sup> cash conversion of 97.9%, which exceeded our target of greater than 90%.
- Achieved cumulative annualised gross cost out of \$213 million since transformation program initiated in February 2023, exceeding the \$200 million target that was updated at Downer's 1H25 results.
- Strengthened balance sheet with net debt to EBITDA of 0.9x, down from 1.4x at 30 June 2024.
- Final dividend of 14.1 cents per share increased by 28% compared to the FY24 final dividend. This reflects a payout ratio of 65% on 2H25 with the final dividend 100% franked compared to 50% franked in FY24.

<sup>1</sup> Normalised underlying cash conversion has been adjusted to remove the cash outflows associated with FY24 and FY25 ISI (not in underlying EBITDA) totalling \$92.0m (FY24 equivalent of \$75.9m and \$23.5m Australian Transport Projects GST payment). Cash conversion is calculated as operating cash flow excluding tax and interest, divided by underlying EBITDA.

## Revenue

In line with Downer's business transformation program, we have strategically prioritised the quality of revenue and tightened tendering risk guardrails to align the business with its core competencies aiming to achieve sustainable and acceptable risk return outcomes. In FY25 Downer has also substantially completed its previously identified underperforming contracts including the low margin projects in the water portfolio and the power maintenance contract which has not been renewed. Further our portfolio simplification program has impacted revenue in the period following the divestment (or reclassification to assets held for sale) of non-core businesses typically with low margin revenue or a risk profile not aligned with our risk appetite.

On a statutory basis, which includes the impact of divestments made during the period, total revenue at \$10.5 billion decreased 4.7% in FY25. Pro forma revenue of \$10.6 billion, adjusted for divestments and held for sale assets and including revenue from joint ventures and associates, decreased by 2.5% predominantly driven by:

- **Transport:** the impact of softer Australian transport agency spend and phasing of work delivery in New Zealand between project completion and new work ramp up, the repositioning of Hawkins' risk appetite which has reduced its revenue contribution. This was partially offset by growth in Rail & Transit Services (ex Keolis Downer) as well as growth within the Specialised Pavement Products, and Pavement Maintenance businesses within Transport and Infrastructure.
- **Energy & Utilities:** weaker demand for discretionary programmatic work in Industrial & Energy services and a decline in Telecommunications services, completion of water projects, and the planned exit of underperforming and loss-making sites. This was partially offset by growth in the Power and Water businesses.
- **Facilities:** The slight increase in revenue has been driven by project closures and the timing of mobilisation of new projects. Selective tendering, pricing discipline, and the application of risk guardrails is continuing to be maintained.

Work-in-hand of \$35.1 billion at 30 June 2025 is diversified by industry, approximately 90% government related and comprises approximately 90% services. The work-in-hand decrease from December 2024 (\$35.6 billion) reflects the progress of large projects, including Queensland Train Manufacturing Program (QTMP), non-recurring water construction contracts completion, the non-renewal of the Victorian power maintenance contract and the extension of the Defence EMOS contract for six months and delay in awarding the new Defence Base Services Transformation Property and Asset Services (PAS) contract. Energy & Utilities work-in-hand has increased by 6.3% following the announcement of significant wins in Telco, Water and Power.

## Earnings

Earnings improvement was achieved across all segments resulting in a 24.5% increase in underlying EBITA to \$474.2 million, up 19.8% on a pro forma basis, and a 33.0% increase in underlying NPATA to \$279.4 million, or up 25.0% on a pro forma basis.

This was primarily supported by the ongoing Energy & Utilities business turnaround, an uplift in Transport earnings in variable market conditions, and a strong performance in the Facilities business, together with the continuing benefits of the cost out program and the completion, renegotiation and performance improvement of underperforming contracts.

- **Energy & Utilities:** driven by improved power projects business performance in Australia, the completion and/or performance improvement of the underperforming water and network services contracts, including transition to demobilisation and transfer of Victorian Power Maintenance Contract completed in July 2025. The ongoing integration of the merged Utilities and Industrial & Energy businesses and closure of underperforming sites provided further overhead efficiencies. Margin enhancements were also driven from a back to basics focus on disciplined cost management and project delivery.
- **Transport:** favourably impacted by improved profitability across Road Services and Projects underpinned by improved project delivery and disciplined margin improvement and cost initiatives. New Zealand Road Services performed well with increased NZ Transport Agency (NZTA) activity. Australian Road Services improved in 2H with good delivery on airport runway projects and a small increase in general activity off a low base. Projects have seen project completions, resolution of outstanding variations and claims and mobilisation on new project wins such as Auckland Airport Domestic Jet. Increased contribution from Rail & Transit Systems, mainly from manufacturing projects.
- **Facilities:** ongoing strong performance across Government & Integrated Facilities Management (IFM), Health & Education and Base & Estate Management businesses supported by operating leverage in functional overheads and other performance improvement initiatives, including the continued roll-out of operational overhead efficiency programs.
- **Corporate:** ongoing reductions in overheads driven by the change in operating model resetting the role of Corporate and cost reductions in support functions, particularly in technology and shared services support.



## Underlying EBITA and reconciliation to Statutory NPAT

\$'m	Reporting segment	FY25	FY24	Change
Transport	Transport	290.7	250.4	16.1 %
Energy & Utilities <sup>2</sup>	Energy & Utilities	121.7	85.7	42.0 %
Facilities <sup>2</sup>	Facilities	153.8	147.2	4.5 %
Corporate	Unallocated	(92.0)	(102.5)	10.2 %
<b>Group underlying<sup>1</sup> EBITA<sup>3</sup></b>		<b>474.2</b>	<b>380.8</b>	<b>24.5 %</b>
Underlying amortisation of acquired intangibles (pre-tax)		(21.0)	(23.1)	9.1 %
<b>Underlying<sup>1</sup> EBIT</b>		<b>453.2</b>	<b>357.7</b>	<b>26.7 %</b>
Net interest expense		(82.1)	(88.7)	7.4 %
Tax expense		(106.4)	(75.1)	(41.7)%
<b>Underlying<sup>1</sup> NPAT</b>		<b>264.7</b>	<b>193.9</b>	<b>36.5 %</b>
Underlying amortisation of acquired intangibles (post tax)		14.7	16.2	(9.3)%
<b>Underlying<sup>1</sup> NPATA<sup>3</sup></b>		<b>279.4</b>	<b>210.1</b>	<b>33.0 %</b>
Total individually significant items <sup>4</sup>		(163.5)	(177.2)	7.7 %
Tax effect on individually significant items		52.5	65.4	(19.7)%
<b>Statutory NPATA<sup>3</sup></b>		<b>168.4</b>	<b>98.3</b>	<b>71.3 %</b>
Statutory amortisation of acquired intangibles (post tax) <sup>4</sup>		(19.3)	(16.2)	19.1 %
<b>Statutory NPAT</b>		<b>149.1</b>	<b>82.1</b>	<b>81.6 %</b>

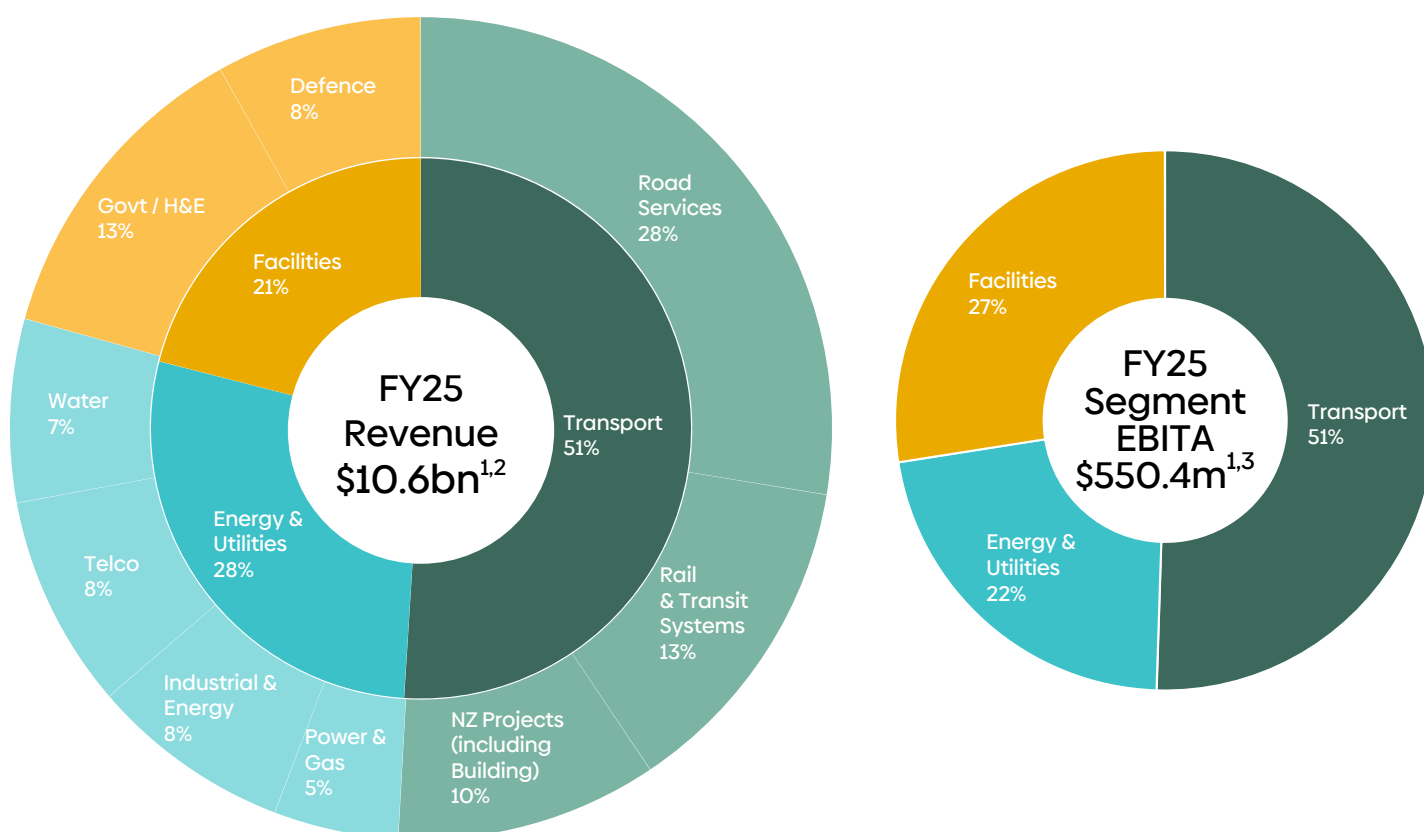
1. The underlying result is a non-IFRS measure that is used by management to assess the performance of the business and includes the contribution of divested businesses and assets held for sale. Non-IFRS measures have not been subject to audit or review.
2. FY24 results for the Facilities and Energy & Utilities (previously Utilities) segments have been restated as a result of the change in operating segments. Refer to Note B1 of the Financial Report for further detail.
3. Downer calculates EBITA and NPATA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.
4. Note B3 of the Financial Report includes \$6.5 million (\$4.6 million post tax) of accelerated amortisation of acquired intangible assets within Individually significant items of \$170.0 million.

The merger of our Utilities and Industrial & Energy businesses, including the New Energy business, into the Energy & Utilities segment consolidates our capabilities across the Tasman to meet the growing customer demand driven by the energy transition. This merger positions Downer to participate in the pipeline of large-scale transmission projects, battery and storage system installations, substation builds, and innovative energy solutions for major mining and energy sector operations. Further organisational changes merged sub-scale businesses and closed underperforming sites to drive further efficiencies with a heightened focus on cost to serve.

As a result, during the period we have reclassified the Industrial & Energy and the New Energy businesses from the Facilities segment into the Energy & Utilities (previously Utilities) segment to reflect the merged operations and as a consequence the FY24 results for the Facilities and Energy & Utilities segments have been restated. Refer to Note B1 in the Financial Report for further detail.

# Segment financial performance

## Segment contribution to pro forma revenue and EBITA



1. Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Annual report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The FY25 Group pro forma EBITA \$458.7 million is equal to segment EBITA of \$550.4 million less Unallocated of \$91.7 million.
2. Revenue is a non-statutory disclosure and includes revenue, other income and notional revenue from joint ventures, other alliances not proportionately consolidated.
3. Downer calculates EBITA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.

## Transport

	Underlying			Pro forma <sup>1</sup>		
	FY25	FY24	Change	FY25	FY24	Change
<b>Revenue</b>	5,557.8	6,222.0	(10.7) %	5,367.5	5,360.7	0.1 %
<b>EBITA</b>	290.7	250.4	16.1 %	278.0	250.3	11.1 %
<b>EBITA %</b>	5.2 %	4.0 %	1.2 pp	5.2 %	4.7 %	0.5 pp

1. Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Annual report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.

On an underlying basis, revenue is lower than the prior comparative period due largely to classification of Keolis Downer to Assets Held for Sale and ceasing equity accounting in the current year, divestments in the prior period, including Australian Transport Projects, Repurpose It and VEC, and lower contributions from New Zealand projects following our risk guardrail reset, as certain projects such as CRL approach completion, partially offset by ramp up of new projects such as Auckland Airport Domestic Jet Terminal. Pro forma revenue was flat.

The revenue impact of enhanced risk guardrails applied to our Hawkins projects business was partially offset by improved performance in specialised pavement products and project activity in the Rail & Transit Systems business, with the QTMP project progressing, with design and construction stages at Torbanlea and Ormeau sites progressing.

Benefits from operating model changes, support function optimisation, cost management initiatives including fleet were realised from cost savings initiatives implemented in FY24 and FY25.

Following a strategic review, negotiations commenced with Keolis Australia Pty Ltd to divest the Group's 49% interest in Keolis Downer Pty Ltd (Keolis Downer). This investment was reclassified to an Asset Held for Sale at 30 September 2024. On 1 July 2025, agreement was reached between both parties for the sale of the interest and is anticipated to complete in late 2025, subject to FIRB approval and customary conditions. A \$38.6 million pre-tax impairment of the Keolis Downer asset held for sale was made at 30 June 2025. Refer to Divestments and exit costs during the reporting period below. Keolis Downer pro forma EBITA contribution to Transport segment increased during the year, from \$2.5 million to \$14.4 million.

## Energy & Utilities

	Underlying			Pro forma <sup>1</sup>		
	FY25	FY24	Change	FY25	FY24	Change
<b>Revenue</b>	3,009.5	3,265.6	(7.8) %	3,009.5	3,260.2	(7.7)%
<b>EBITA</b>	121.7	85.7	42.0 %	121.7	84.6	43.9%
<b>EBITA %</b>	4.0 %	2.6 %	1.4 pp	4.0 %	2.6 %	1.4 pp

1. Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Annual report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.

Our new leadership team has made substantial progress in the turnaround of underperforming contracts in both the Water business and Network Services business whilst securing overhead synergies as a result of the merger of Utilities and Industrial & Energy businesses, and a back to basics focus on project delivery and disciplined cost management. As a result, and together with an improvement in the performance from the Australian Power Projects and Water businesses, underlying EBITA increased by \$36.0 million or 42.0% on FY24.

Pro forma revenue was down due to lower levels of customer capital works programs within the Industrial & Energy business as clients elected to transition sites to care and maintenance modes due to weaker commodity prices or delayed programs, as well as the closure of certain underperforming trading locations. The performance of these businesses is anticipated to improve as customer capital programs and shut down maintenance activities return to support the asset lifecycle extensions required due to the extended energy transition timetable.

Margins improved driven by increased performance from the commercial reset of a material power maintenance contract, completion of the portfolio of water construction projects and further overhead reduction. Looking ahead, we are also investing in modernising technology and standardising our work management platforms in Australia and New Zealand to drive enhanced productivity and efficiency.



## Facilities

	Underlying			Pro forma <sup>1</sup>		
	FY25	FY24	Change	FY25	FY24	Change
<b>Revenue</b>	2,241.9	2,333.5	(3.9) %	2,163.4	2,161.9	0.1 %
<b>EBITA</b>	153.8	147.2	4.5 %	150.7	148.4	1.5 %
<b>EBITA %</b>	6.9 %	6.3 %	0.6 pp	7.0 %	6.9 %	0.1 pp

1. Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Annual report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.

The Facilities business is establishing a track record of consistently delivering strong performance with underlying and pro forma margin continuing to improve due to strong margin growth notwithstanding softer revenue growth performance across Government and IFM and Base & Estate Management, reflecting the ongoing benefit of FY24 and FY25 project margin improvement initiatives and overhead cost reductions.

The EMOS Defence Base Services tender, one of the key contract renewals in 2025, was submitted during 1H25 and we are awaiting the outcome which is anticipated in 1H26.

We are investing in modernising and simplifying our technology environment, including enhancing Work Management systems and an upgrade to SAP S/4 Hana, focusing on operational process improvement and targeting material uplift in productivity, quality of customer service and cost to serve savings.

Facilities has continued to focus on portfolio simplification, with the divestment of the lower margin Catering New Zealand business, Australian Cleaning business and final exit of Laundries and the divestment of the Cleaning NZ business completed on 31 July 2025 (classified as asset held for sale at 30 June 2025). This simplification is expected to create management capacity to focus on value creation in core markets with more opportunity. Collectively the divestments resulted in a reduction in our workforce of 40% or ~5,000 roles.

## Group statutory earnings

Reconciliation of the FY25 pro forma and underlying result to the statutory result:

\$'m	EBIT	Amortisation of acquired intangibles	EBITA	Net finance costs	Tax expense	NPATA	Amortisation of acquired intangibles (post-tax)	NPAT
<b>Pro forma result</b>	<b>437.7</b>	<b>21.0</b>	<b>458.7</b>	<b>(82.1)</b>	<b>(112.4)</b>	<b>264.2</b>	<b>(14.7)</b>	<b>249.5</b>
Net divestment and AHFS contribution	15.5	–	15.5	–	(0.3)	15.2	–	15.2
<b>Underlying result</b>	<b>453.2</b>	<b>21.0</b>	<b>474.2</b>	<b>(82.1)</b>	<b>(112.7)</b>	<b>279.4</b>	<b>(14.7)</b>	<b>264.7</b>
Net loss on divestments and exit costs	(36.2)	3.8	(32.4)	–	13.7	(18.7)	(2.7)	(21.4)
Transformation and restructure costs	(51.3)	–	(51.3)	–	15.5	(35.8)	–	(35.8)
Regulatory reviews and legal matters	(10.7)	–	(10.7)	–	3.1	(7.6)	–	(7.6)
Impairment, asset write-downs and other	(71.8)	2.7	(69.1)	–	20.2	(48.9)	(1.9)	(50.8)
<b>Total individually significant items<sup>1</sup></b>	<b>(170.0)</b>	<b>6.5</b>	<b>(163.5)</b>	<b>–</b>	<b>52.5</b>	<b>(111.0)</b>	<b>(4.6)</b>	<b>(115.6)</b>
<b>Statutory result</b>	<b>283.2</b>	<b>27.5</b>	<b>310.7</b>	<b>(82.1)</b>	<b>(60.2)</b>	<b>168.4</b>	<b>(19.3)</b>	<b>149.1</b>

1. Note B3 of the Financial Report includes \$6.5 million (\$4.6 million post tax) of accelerated amortisation of acquired intangible assets within Individually significant items of \$170.0 million. Refer to Note B3 to the Financial Report for further details.

Statutory earnings before interest and tax (EBIT) of \$283.2 million, up 56.9%, and statutory NPAT of \$149.1 million, an increase of 81.6%, compares to the prior year of \$180.5 million and \$82.1 million respectively.

Statutory EBITA of \$310.7 million for the year, including individually significant items (ISI) of \$170.0 million loss before interest and tax for the year, reflects a 52.6% improvement on \$203.6 million in FY24.

## Divestments and exit costs

During the period, the Group made continued progress against its strategic priority of portfolio simplification and divestments and exit costs were recognised in relation to a number of transactions. Refer to Note F6 for further details on the individual transactions.

The net loss on divestments and exit costs includes:

- \$20.8 million net pre-tax loss (including disposal costs) across the divestments, inclusive of:
  - \$41.1 million gain on disposal of the remaining 29.9% interest in its Australian Laundries business to an Australian private equity fund run by Macquarie Asset Management.
  - \$38.6 million impairment of assets held for sale following the agreement to sell Downer's 49% interest in Keolis Downer to the Keolis Group. The transaction is expected to complete in late 2025, subject to Foreign Investment Review Board approval and customary conditions.
  - \$23.3 million loss on sale of Australian cleaning and New Zealand catering businesses as part of the ongoing strategy to simplify the Facilities business and focus on core markets.
- \$3.8 million of accelerated amortisation on acquired intangibles from the Spotless acquisition due to disposed contracts.
- \$7.9 million exit costs associated with transfer and demobilisation of the Power Maintenance Contract completing in July 2025 within Energy & Utilities involving transfer of employees, assets and sites (included here as akin to a divestment in nature).
- Capital losses on which a deferred tax asset has not been previously recognised have been fully utilised to offset capital gains arising on divestments during the year.

These divestments largely close out our portfolio simplification program, which has sharpened the Company's focus on core markets and growth opportunities aligned to our technical strengths and core capabilities.

### Transformation and restructure costs

Transformation and restructure costs represent costs incurred in relation to Downer's Transformation program to restructure its operating model and to identify opportunities for overhead savings from improved alignment and role clarity between the Corporate and Business Unit organisation structures. The material elements of the costs associated with the transformation and restructure are as follows:

- Redundancy and severance costs associated with ongoing review of the Group operating model
- Transformation program implementation costs including external advisor costs
- IT transformation costs, impacting work management, project management, ERP systems (e.g. SAP S/4 Hana in Facilities Segment) and modernising IT infrastructure. These programs objectives include an uplift in capability and/or cost savings.

### Regulatory reviews and legal matters

Regulatory review and legal matters costs were incurred in relation to Downer's defence against actions filed against the Company, including shareholder class actions filed in early 2023 and the action filed by the Australian Competition and Consumer Commission (ACCC) in December 2024. These costs also relate to regulatory reviews, undertaking related business conduct reviews and investigations, and costs associated with defending and settling historical long dated warranty claims associated with businesses no longer in operation.

The shareholder class action and ACCC claim have been disclosed as contingent liabilities in Note C9.

### Impairment, asset write-downs and other

Impairment and other asset write-downs relate to:

- A Rail site in the Transport segment with a \$47.0 million impairment in relation to fixed assets including buildings and equipment as a result of a change in forecast customer demand; Insurance recoveries of \$16.4 million in relation to storm hail damage; and, site rectification costs of \$10.2 million.
- Accelerated amortisation and write-downs in relation to IT assets and discontinuation of IT development programs, where the ongoing usage has been reviewed as part of the Technology Simplification and Optimise programs to reduce complexity, identify cost savings and align with changes to the Group's new operating model.
- Accelerated amortisation on acquired intangibles from the Spotless acquisition from exited contracts.
- Office space and vehicle leases being surplus to requirements and terminated as a result of business transformation.

### Tax

The underlying effective tax rate of 28.7% is lower than the statutory corporate tax rate of 30.0% primarily due to the impact of non-taxable distributions and franked dividends from joint ventures and associates, and profits earned in jurisdictions with lower corporate tax rates such as New Zealand (28%).

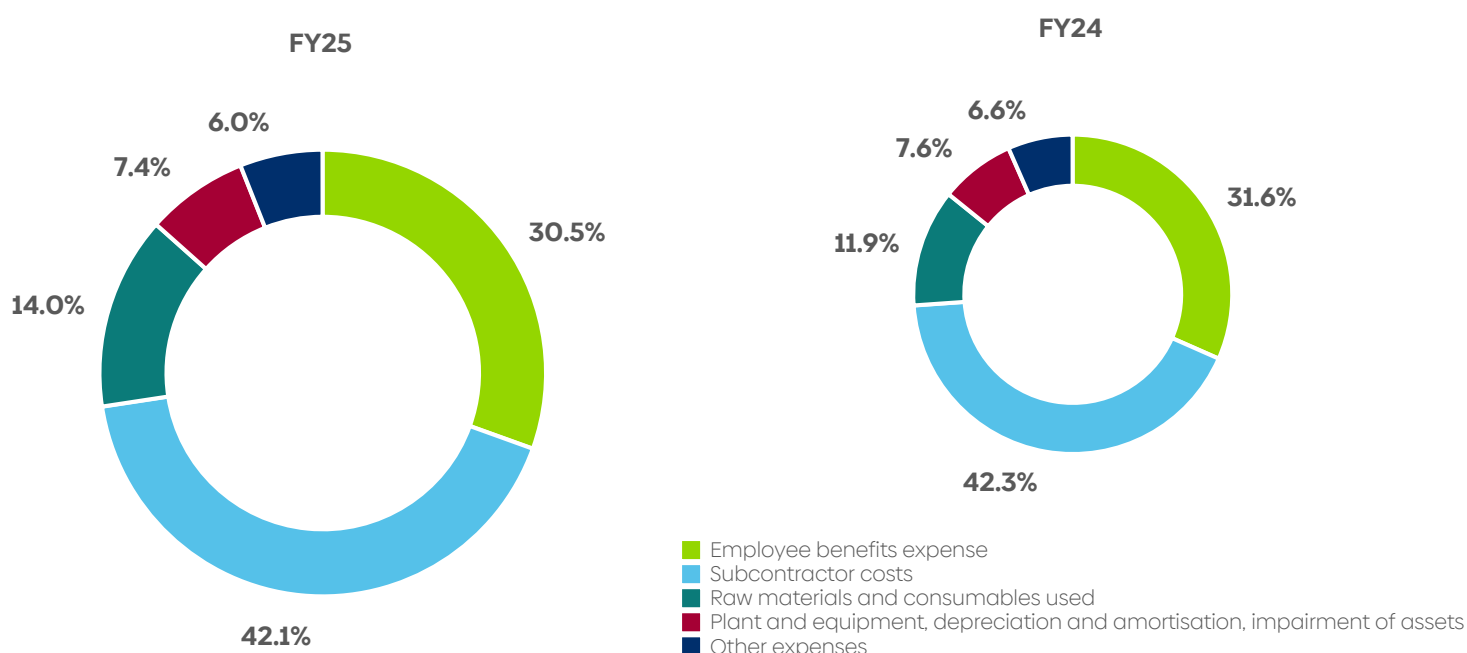


## Expenses

The transformation program, including operating model changes and various cost reduction initiatives, has achieved \$213 million in cumulative annualised gross cost out (since the program was initiated in February 2023) with over \$70 million achieved in FY25. This exceeds the \$200 million cumulative annualised gross cost out target that was updated at Downer's 1H25 results. The cost reduction program was accelerated during the period to offset soft market conditions identified and anticipated in parts of Downer's businesses (primarily Roads Services in Australia and Energy & Utilities in New Zealand).

Total expenses of \$10.3 billion decreased by 5.6% compared to \$10.9 billion in the prior corresponding period (pcp). Included in total expenses is \$186.4 million<sup>1</sup> of ISIs (\$217.0 million in the pcp). Excluding the impact of ISIs, total expenses decreased 5.4%, compared to a reduction in revenue of 4.7%.

Downer's cost base (including ISI) by expense type:



Employee benefits expenses decreased by 8.6%, or \$294.8 million, to \$3.1 billion and represents 30.5% of Downer's cost base (31.6% in the prior year). The decrease in labour expenses is broadly consistent with the 4.7% reduction in revenue and the impact of the cost out program. Subcontractor costs decreased by 6.3%, or \$288.9 million, to \$4.3 billion, and represents 42.1% of Downer's cost base (42.3% in the prior year). Subcontractor use has reduced in Transport and Energy & Utilities segments and due to Australian Transport Projects and ADS businesses divested in the prior year, partially offset by increased subcontractor use on the QTMP project.

Raw materials and consumables costs increased by 10.7%, or \$138.4 million, to \$1.4 billion and represents 14.0% of Downer's cost base (11.9% in the prior year). This reflects higher materials usage within Specialised Pavement Products, and Pavement Maintenance businesses within the Transport Segment, as well as higher materials usage in the Facilities Segment.

Plant and equipment costs decreased by 10.1% or \$41.1 million to \$0.4 billion, as a result of the completion of Power and Water projects in Energy & Utilities segment and the divestment of Australian Transport Projects. Total depreciation and amortisation was broadly in line with pcp decreased by 1.0%, or \$3.5 million, to \$0.3 billion.

Impairment of non-current assets expense of \$53.0 million primarily relates to impairment of a rail site (\$69.1 million in pcp). Refer to Note B3 of the Financial Report for additional information.

The movement in other expenses is primarily attributable to the divestment of Australian Transport Projects in the prior year and ISI expenses of \$62.8 million in FY25. Refer to Note B3 of the Financial Report for additional information.

<sup>1</sup> Total ISI before tax of \$170.0 million excluding Other income of \$16.4 million.

## Cash flow

### Operating cash flow

Operating cash flow of \$562.5 million up 3.4% on pcp, represents an improvement on the prior year, with an underlying cash conversion (operating cash flow excluding interest and tax over underlying EBITDA) of 86.4%. Normalised cash conversion, adjusting for payments associated with FY24 and FY25 ISIs (together \$92.0 million), equates to 97.9%.

During the period, there has been a disciplined focus on cash collections and the resolution of contractual variations and claims.

Net finance costs decreased by \$6.6 million, or 7.4% on prior comparative period, to \$82.1 million reflecting a lower average cost of debt and the reduction in net debt balances driven by operating cash flows and prudent capital management. Interest income from cash deposits also increased 48.3% to \$17.2 million due to strong operating cash flows and the balance of drawn debt being term loans.

### Investing cash flow

Total investing cash outflow of \$29.1 million includes \$61.9 million proceeds from the disposal of businesses during the period, net of cash disposed. Refer to note F6 for details.

Excluding proceeds from the disposal of businesses, investing cash outflow decreased by 7.0% or \$6.8 million to \$91.0 million largely due to timing differences on contract completions and renewals and phasing of maintenance cycles, the impact of divestments and a renewed focus on disciplined capital allocation with Investment Committee oversight including to ensure existing fleet utilisation is optimised and matching spend on asphalt equipment with market conditions.

Free cash flow increased by 14.0% from \$284.1 million in FY24 to \$323.9 million in FY25 driven by the focus on pivoting to a more sustainable business model. This has included a heightened focus on our cash culture, the application of self funding principles to business planning for our businesses, targeted cost out and margin improvement programs as well as enhanced cash collection practices, resolution of disputed claims and variations and more active management of accumulated cash balances within our joint ventures.

### Debt and bonding

The Group's performance bonding facilities totalled \$1,902.8 million at 30 June 2025 with \$662.4 million undrawn. During the year, surplus limits were rationalised resulting in a \$201 million reduction of total bonding facility limits and related cost savings in fees. There is sufficient capacity to support the existing pipeline and the ongoing operations of the Group.

At 30 June 2025, the Group had liquidity of \$2.5 billion comprising cash balances of \$833.8 million and undrawn committed debt facilities of \$1,625.0 million. Net debt (excluding lease liabilities and including Deferred Finance Costs and Derivative Marked to Market (MTM)) reduced from \$469.5 million at 30 June 2024 to \$259.3 million at 30 June 2025. Management reported a reduced net debt to Underlying EBITDA (which includes lease liabilities) of 0.9x at 30 June 2025, an improvement from 1.4x at 30 June 2024.

During the period, the Group refinanced \$325 million of bilateral debt facilities including extension of maturities and alignment of terms to the Group's Sustainability Linked Finance Framework that supports loans and guarantees.

During Q425, Downer commenced the execution of an updated funding strategy to simplify the capital structure, to create better alignment with the funding profile and forecasted business requirements, and to identify further efficiency and optimisation of the Group's financing costs.

This resulted in Downer extending \$1 billion of syndicated debt facilities, including an Asian Term Loan Tranche of \$300 million to FY32, and put in place a \$400m bridge facility for upcoming AMTN refinancing in FY26.

The outlook on the Group's external credit rating by Fitch Ratings (Fitch) was revised on 10 May 2024 to Stable from Negative and affirmed issuer rating as BBB reflecting Fitch's view at the time that Downer's ability to deliver \$175 million in identified cost savings would enable Downer to return an EBITDA margin above 5% in FY25. Downer notes it has achieved Fitch Ratings definition of an EBITDA margin of 5% in FY25.

## Dividends

The Downer Board resolved to pay a final dividend of 14.1 cents per share, 100% franked, payable on 2 October 2025 to shareholders on the register at 4 September 2025.

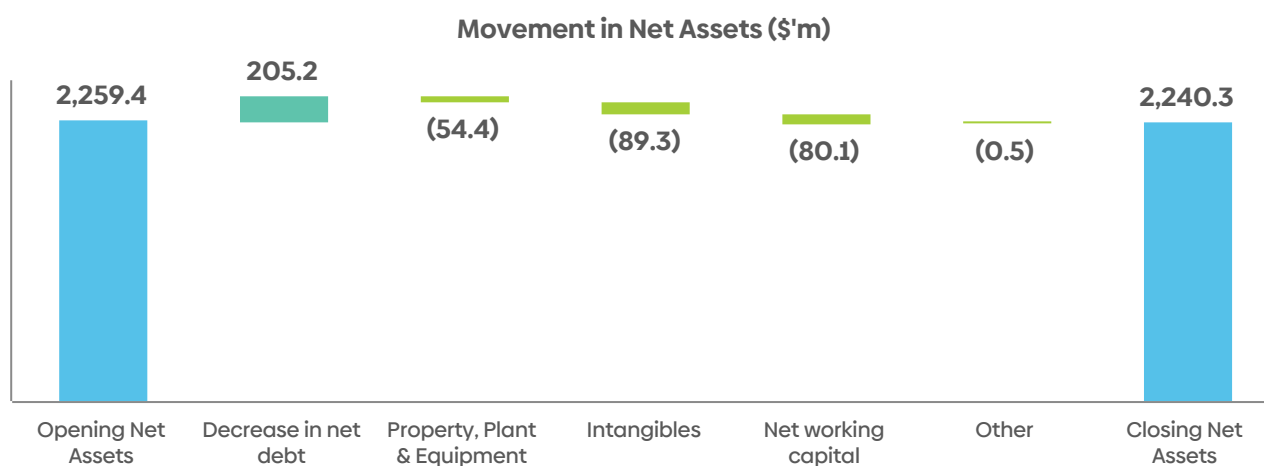
The total dividend for FY25 of 24.9 cents per share represented a payout ratio of 63%.

The Company's Dividend Reinvestment Plan remains suspended.

The Board also determined to continue to pay a fully imputed dividend on the ROADS security, which having been reset on 15 June 2025 has a yield of 7.27% per annum payable quarterly in arrears, with the next payment due on 15 September 2025. As this dividend is fully imputed (the New Zealand equivalent of being fully franked), the actual cash yield paid by Downer will be 5.23% per annum until the next reset date.

## Balance sheet

Since 30 June 2024, the net assets of the Group reduced by \$19.1 million.



Net debt, calculated as borrowings (excluding lease liabilities) less cash and cash equivalents, decreased by \$205.2 million driven by cash generated by operations and cash proceeds collected from divestments (net divestment proceeds of \$61.9 million).

Property, plant and equipment (PP&E) decreased by \$54.4 million to \$786.8 million, largely attributable to the depreciation expense of \$111.2 million and impairment of a Rail site recognised as an ISI which were partially offset by net capital expenditure of \$106.4 million.

Intangibles declined by \$89.3 million to \$2.0 billion, primarily due to the amortisation of software and system development assets totalling \$90.4 million and impairment of \$4.9 million as outlined in Note B3.

Net working capital, which includes current trade receivables and contract assets, in addition to current trade payables and contract liabilities, decreased by \$80.1 million, reflecting the impact of divestments in the period and improved working capital management.

Total equity decreased by \$19.1 million, largely as a result of the statutory profit after tax of \$149.1 million, offset by dividends paid during the period of \$158.8 million and other comprehensive losses for the period (net of tax) of \$11.4 million.



# Strategic objectives and future opportunities

Downer has strong trans-Tasman market positions across our core operating segments: Transport, Energy & Utilities and Facilities. Our business is built around continually evolving specialist capabilities matched to customer needs. Our alignment to strong market fundamentals supports underlying business resilience in an environment of global change, and underpins the potential for high quality earnings growth.

Our core capabilities, relationships and scale:

- Position us to provide critical infrastructure services for long-term, government and blue chip customers
- Align to growth sectors with supportive tailwinds to build long-term value
- Deliver more predictable and stable operational performance
- Generate resilient revenue and returns, with reduced capital intensity.

## Downer's Purpose, Promise and Pillars

Our Purpose is: Enabling Communities to Thrive – Te whakaahei hapori momoho.

Our Promise is: Our customers' success is our success.

Our Pillars represent the foundations of how we think, plan and solve problems together:

- Safety and sustainability – We aim to leave a positive legacy for future generations, and we are committed to Zero Harm for our people, communities and the environment
- Delivery – We build trust by delivering on our promises with excellence while focusing on safety, value for money and efficiency
- Relationships – We collaborate to build and sustain enduring relationships with our customers, our people and our communities, based on trust and integrity
- Thought leadership – We remain at the forefront of our industry by employing the best people, continually innovating and having the courage to challenge the status quo.

## Strategies to realise long-term value for shareholders

Downer has worked to simplify around our three core segments, with resilient secured work-in-hand and strong opportunity pipelines. The embedment of performance disciplines and back-to-basics delivery has continued to sharpen through FY25, with focus shifting to sustainable growth, an uplift in earnings, and improved capital management.

Our coordinated actions and initiatives provide the pathway to achievement of a management target EBITA margin of more than 4.5% on average across FY25 and FY26.<sup>1</sup>

The key tailwinds and growth vectors that support our strategy include:

- The energy transition shift to renewable sources and improved network resilience
- Growing and ageing populations along with the expansion of government service outsourcing and a higher focus on value for money outcomes
- Defence spending growth as Governments respond to global uncertainty
- A renewed focus on sovereign capabilities, the development of local industry and robust domestic supply chains.

<sup>1</sup> The management targets, ≥4.2% minimum threshold EBITA margin in FY25 and >4.5% average EBITA margin across FY25 and FY26, are incorporated into Downer's long-term incentive plan and are not provided as guidance.

Our goal is to create an inclusive, purpose driven culture focused on achievement and customer centricity, that enables our 26,000 trans-Tasman employees to thrive. The Downer Difference program, launched on 1 July 2024, continues to drive our commitment to high performance, and is our way of working together to achieve excellence. The program incorporates targeted initiatives across three core themes:

- We own the outcomes – We collectively strive for high standards, embedding excellence into our daily operations
- We do it for our customers – We look at things from a customer's perspective and use our market awareness to shape our business for continually enhanced services
- We stand for each other – We foster a safe workplace environment and treat each team member with respect and courtesy, recognising and celebrating our differences.

Our strategy is underpinned by clear focus areas to enhance our capabilities, customer relationships, and support frameworks to sustain market-leading positions:

### Strategic focus area

#### **Safety – maintain focus on Zero Harm**

A strong commitment to a Zero Harm culture is vital for sustained success, fostering meaningful relationships with our people, customers, and communities, and achieving outstanding health, safety, and environmental performance.

This commitment is deeply embedded across Downer, where we prioritise the safety, health, and wellbeing of our workforce, champion environmentally sustainable practices, and work to promote safe operations at every level.

Our Integrated Management System, The Downer Standard, provides a consistent framework for managing Zero Harm risks and performance. Additionally, Downer's third-party certifications to ISO 45001 (Safety), ISO 9001 (Quality), and ISO 14001 (Environment) demonstrate our dedication to internationally recognised standards. These certifications support the development, implementation, and continuous improvement of our safety, quality, and environmental processes, empowering our frontline teams with best practice tools to effectively manage risks and adapt to changing work conditions.

#### **Sustainability – address climate-related risks and position for growth opportunities through decarbonisation**

Downer is committed to embedding sustainability into every aspect of our service delivery and business operation. Leveraging our extensive skills, experience, and technical expertise, we are well-positioned to provide high-value solutions that help our customers successfully navigate the energy transition, and move towards a lower-emissions future. Demonstrating our commitment to emissions reduction is vital to building trust and credibility in the services and solutions we offer.

Downer supports the scientific consensus on climate change and is dedicated to actively decarbonising our operations to contribute to limiting global temperature rise. Downer has established a near-term target to reduce Scope 1 and 2 greenhouse gas emissions using the Science Based Targets initiative (SBTi) Corporate Near Term Target Setting Tool. Additionally, we have committed to achieving net-zero Scope 1 and 2 emissions, guided by the SBTi Corporate Net Zero Tool<sup>1</sup>.

Downer's near-term Scope 1 and 2 GHG emission commitments are aligned with a 1.5°C pathway and support the transition to net zero emissions by 2050. Downer's GHG emissions reduction targets are:

- 50% reduction by 2032 across absolute Scope 1 and 2 emissions against a 2020 baseline
- Net zero by 2050 across Scope 1, 2 emissions against a 2020 baseline.

## Strategic focus area

### Sustainability – address climate-related risks and position for growth opportunities through decarbonisation (continued)

As stated in Downer's 2024 Climate Statement, the Scope 3 component of Downer's net zero target was placed under review. Downer has withdrawn its Scope 3 target. Downer remains committed to measuring and managing its Scope 3 emissions.

In FY26, Downer will implement an action plan to source actual emissions data from key suppliers, replacing spend-based estimates, especially for critical input products and services such as rail rolling stock construction and asphalt production. We remain committed to our supplier engagement program, aiming not only to improve data accuracy but also to provide tools and guidance that support and educate our supply chains. The results of these initiatives will be disclosed in Downer's 2026 Climate Statement.

Downer aims to reduce Scope 1 and 2 emissions by 90% from a 2020 baseline by 2050, with the remaining 10% offset by certified carbon removal credits. Downer's decarbonisation pathway modelling indicates that these may be purchased in the 2040s. These offsets will likely be Australian Carbon Credit Units (ACCU) or equivalents, depending on market conditions. Downer will monitor the evolving ACCU market to ensure its offset strategy aligns with its net zero goal, balancing direct emissions reductions with credible offsets to neutralise residual emissions.

Examples of Downer's progress include ongoing energy efficiency improvements and GHG emissions reductions, decarbonising fixed assets through new technologies and fuel switching, further reducing fleet emissions with electric and alternative fuel vehicles, increasing renewable energy use on- and off-grid, and incorporating low-emission materials into products.

The 2025 Climate Statement referred to on pages 56 to 77 outlines further details about Downer's response to climate-related risks and opportunities.<sup>1</sup>

### Leadership and culture – Driving a performance culture

Culture is a powerful enabler of our strategic goals. At the core of Downer's progress is a strong commitment to building a high-performance culture through our flagship high-performance culture program, 'The Downer Difference' and its three delivery themes: We own the outcomes, We do it for our customers and We stand for each other.

In FY25, Downer launched a three-year Enterprise People Strategy designed to enable our people to thrive. This strategy supports the delivery of Downer's overarching objectives by aligning workforce capability with business needs, including a focus on attracting, growing, recognising, and engaging our people through practical, enterprise-wide initiatives. Key initiatives commenced in FY25 include:

- Creation of an enhanced onboarding framework that streamlines the new hire experience for Employees and People Leaders, increases engagement and job readiness from day one, and drives improved first-year talent retention outcomes
- Embedment of a refreshed performance management framework and manager support tools to enhance employee feedback, coaching capabilities, and to align individual performance with organisational goals
- Improved leadership capability development and delivery capability assessment tool development designed to support future growth pathways for leaders
- Development of further targeted 'You said, we listened' initiatives to provide a timely and visible response to employee engagement survey feedback.

<sup>1</sup> <https://sciencebasedtargets.org/resources/files/Net-Zero-tool.xlsx> As accessed 30 June 2025.



## Strategic focus area

### Delivery Excellence - Tendering and governance

Effective risk and opportunity management is fundamental to improving project margins and delivering consistent, predictable outcomes for Downer and our customers. Through FY25, we have continued to refine and enhance our Board Project Governance Committee (PCG), Tender and Contracts Committee (TCC) and the application of our enhanced risk guardrails with a focus on revenue quality. FY26 will bring further streamlining of tender disciplines and a greater interface with commercial workstreams.

Supporting our tendering and governance processes, our risk management framework features dynamic governance controls designed to identify the right projects, enhance earnings resilience and protect long-term value. The Downer Standard (TDS) sets a consistent policy and risk management framework, while the Delivery Management Methodology (DMM) provides a structured, repeatable approach to project delivery. Our 5C framework defines contract risk guardrails and appetite. Our Three Lines of Defence model provides accountability across multiple layers: operational management serves as the first line, Business Unit leadership oversees the second, and risk assurance reporting to Executive and the Board serves as the third line. Collectively, these frameworks assist Downer to manage risk proactively and drive sustainable outcomes.

Our priority through FY26 is to secure quality revenue by targeting work aligned with our capabilities, adopting commercial models that balance risk and return, and by partnering with customers who value our technical expertise and reliable delivery.

### Delivery Excellence - Project Delivery

Downer is committed to delivering reliable, technology-enabled, and cost-effective asset management, project, and service solutions. Meeting our customers' evolving needs requires consistent, high-quality delivery and a dedication to continuous improvement. We work to continually enhance our operational excellence and project delivery capabilities, to achieve customer outcomes safely while meeting or exceeding our tendered margins.

Through reinforcing our foundational contracting disciplines, we improve decision making, embed disciplined business practices, and implement essential project controls. This approach allows us to effectively identify, manage, and optimise risks and opportunities throughout the project delivery lifecycle. Key initiatives commenced in FY25 include:

- Embedment of new technologies to improve delivery performance, productivity, and to leverage data more effectively
- Delivery capability assessments through our People Strategy, focused on contract understanding, delivery governance practices, risk guardrail controls, safety outcomes, commercial management, client satisfaction and core delivery capability development
- Continued uplift in the effectiveness and efficiency of business processes to support front-line delivery
- Enhancements to our enterprise-wide source-to-contract platform to support robust oversight and embedment of project performance management disciplines.

### Delivery Excellence - Customer Centricity

Downer's strategy for continued sustainable growth is underpinned by an emphasis on customer centricity, alignment to long-term customer needs, and the shaping of markets through industry partnerships and Thought Leadership. By listening to real-world customer feedback and market expectations, our leaders strengthen our ability to align strategy, delivery, and relationships for long-term revenue growth. The 'We do it for our customers' theme within 'The Downer Difference' brings the customer voice to the forefront, connecting business growth with a deep understanding of evolving customer needs.

Our competitive advantage comes from capabilities that span our customers' asset lifecycles. As part of our portfolio simplification strategy we are no longer general contractors. FY26 brings initiatives focused on ongoing capability uplift, and a sharpened focus on our pipeline visibility, management and long-term revenue planning competencies. Our revenue growth targets align with our view of addressable markets and orientation to sector tailwinds, where we can apply our specialised capabilities in advisory, construction and maintenance.

Key support initiatives in progress include:

- Embedment of 'Voice of the Customer' frameworks across our operational businesses focused on the collection and analysis of customer feedback on experiences, needs, expectations, and preferences
- Leverage of account management planning frameworks focused on data gathering and analysis, identification of growth opportunities, stakeholder mapping, relationship assessment and long-term planning to build partnership trust through collaboration with customers.

## Strategic focus area

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### Support Frameworks- Enabling our businesses to thrive

Downer's transformation, encompassing the redesign of corporate and Business Unit operating models and support functions, has delivered substantial operating cost savings and strengthened the platform to enhance efficiency, standardisation, and project delivery support. Downer continues to invest in support systems as part of its broader operational improvement program to drive sustainable growth and efficiency. Ongoing investment in capability, process and technology seek to align opportunities to leverage Downer's scale with specific business requirements.

To oversee the Group-wide change initiatives of significant importance, Downer established an Enterprise Project Management Office (EPMO) in 2024. The EPMO plays an important role in enhancing visibility, governance, and risk mitigation of strategic programs. EPMO led programs have been categorised into three main activity streams:

- **Licence to Operate:** Programs centre around the management of any impacts to Downer's ability to service its customers. Primary areas include safety, climate change and decarbonisation, cybersecurity, and procurement
- **Capability:** Downer's People Strategy, which is designed to address critical people risks, enable organisation performance and improve the employee experience
- **Performance:** Programs centre around improving efficiencies across the business, as well as increased quality and transparency of business performance management.

Within the above activity streams, several initiatives are in progress and will progress through FY26. Strategic project initiatives include:

- Enhancing project controls, productivity, and efficiency by investing in advanced work and project management technologies. These upgrades aim to improve project delivery excellence and build a competitive advantage across operations
- Enhancements to contract cost reporting and the standardisation of our overhead recharge models to support improved management of cost-to-serve disciplines
- Driving improvement in service levels and efficiencies in critical corporate support functions such as IT and Shared Services, which underpin business operations and cost management
- Simplification of technology stacks and redesign of business processes to drive efficiency. This includes standardising data management practices, refining operating models and process automation for reduced complexity, faster project delivery, and to realise productivity gains
- Ongoing cyber security uplift, data centre optimisation, Network & Integration simplification and an improved IT service catalogue with targeted support uplift capability.

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### Portfolio Refinement – Building a resilient portfolio of core businesses

We have executed a disciplined portfolio simplification strategy, focusing on divesting non-core and underperforming assets to sharpen our operational focus and reduce risk in line with our enterprise risk appetite. This integrated approach aims to deliver sustainable shareholder value over time.

Through FY25, three divestments were completed and a further two assets were reclassified as held for sale. Further portfolio adjustments and active capital management activities continue to be evaluated, with decisions made based on market conditions, maximising shareholder value, adherence to capital management disciplines and allocating capital to business areas aligned with strategic, financial, and risk objectives.

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Refer to Our Approach to Risk Management for further details on risks associated with the pursuit of Downer's strategic objectives and future opportunities.

<sup>1</sup> As accessed 30 June 2025.

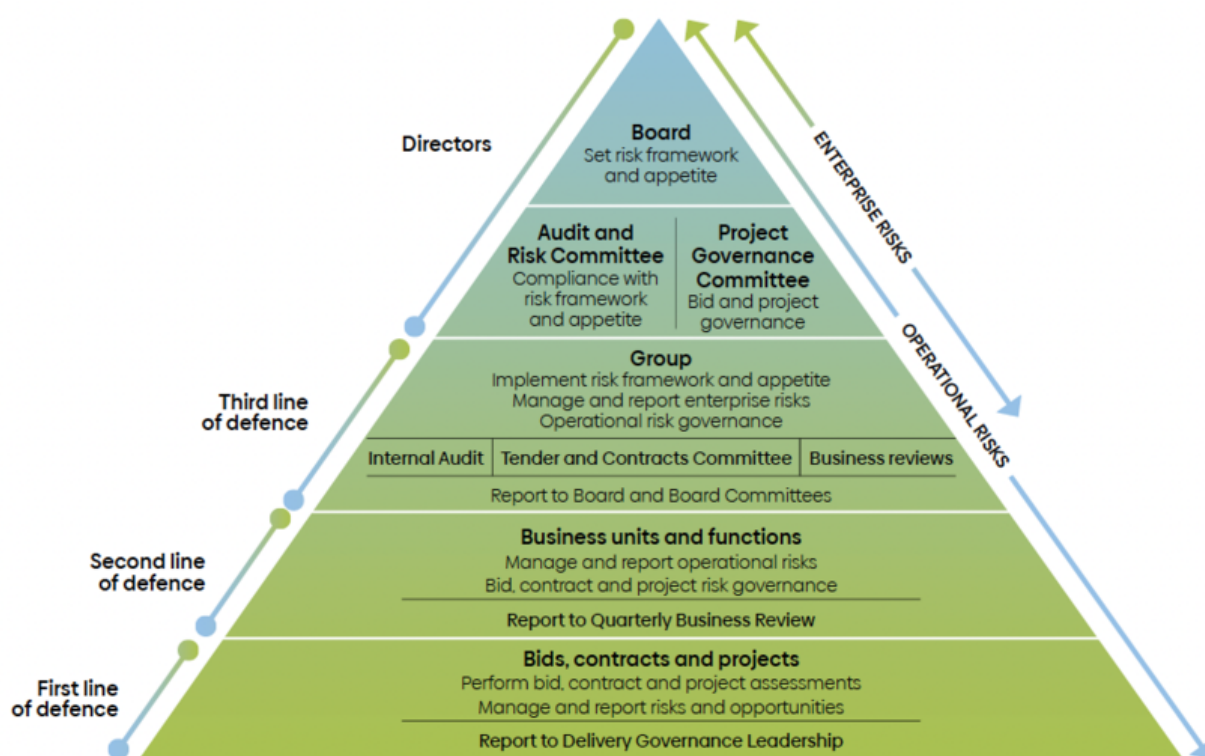
# Our approach to risk management

Downer continued to refine and enhance risk mitigation and management strategies and frameworks in FY25, building on the significant work done in FY24.

The Board Risk Appetite Standard has been operationalised in each Business Unit, providing a clear framework to guide risk-based decision-making when pursuing opportunities and goals, and the Enterprise Risk Management Framework continues to provide a structure for identifying, assessing, mitigating, and monitoring risks across all our operations.

The Board Project Governance Committee is responsible for oversight of opportunities and contracts to assess alignment with our strategy, capability and capacity to deliver within acceptable risk profiles. Quarterly business reviews and rigorous monthly project reviews, based on up-to-date project valuations, continue to support transparency and facilitate timely intervention when necessary.

Downer manages risk across all levels of our organisational risk hierarchy.



At the Group level, we actively manage a range of risks which could have a material impact on our ability to achieve strategic objectives. We apply a risk management framework to identify, assess and manage these risks.

Downer's risk mitigation and management strategies relating to material enterprise risks, including general business, operational and macroeconomic risks, are outlined below.

## Overview of risk and potential impact

## Risk mitigation and management strategies

### Key contracts, competition and customer retention

There is a risk that material contracts may be cancelled, not renewed or renewed on less favourable terms.

Operating in highly competitive markets, increased competition and market changes can impact our ability to renew or secure new contracts. Such events could lead to reduced work-in-hand, profitability, and earnings.

Additionally, some of our contracts have fixed or capped pricing exposing us to potential losses due to cost escalations that cannot be recovered from customers.

- We prioritise maintaining strong relationships with customers across a range of different markets.
- We focus on delivering successful outcomes for our customers, strategic partnerships, and joint ventures with high-quality services, leading technology, thought leadership, and knowledge providers.
- Our Customer Relationship Management (CRM) system helps us effectively manage our diverse customer base.
- We apply rigorous bid governance processes for tendering projects within our risk appetite. We maintain a strong emphasis on cost control, supply chain management and project oversight.
- Our Tender and Contracts Committee and Board Project Governance Committee provide oversight for bid and project governance, contract and tender evaluation and the Quarterly Business Review process oversees the performance of projects and contracts.
- We continue to focus on risk management including implementation of risk guardrails and operational excellence with strategies in place aimed at improving performance, delivering tendered and budget margins, and reducing variability.

### Organisational culture

Failure to create and maintain a culture which supports our core behaviours, ethics, principles, and values can impact our ability to execute our strategy and maintain our social licence to operate.

- Our Purpose, Promise and Pillars align with our people, our customers, and the communities we operate in.
- Our aspirational high performance culture The Downer Difference was launched 1 July 2024 and key programs such as the CEO Awards and Family Scholarships have supported the embedment of the new culture.
- Our People Strategy, a program of initiatives to support high performance and improve employee experience, has put strong focus on improving organisational culture.

### Brand and reputation

Our reputation is crucial to winning and retaining work, attracting and retaining employees, accessing capital markets and maintaining our social licence to operate.

Building and maintaining trust among stakeholders is vital for our business. A failure to uphold this trust could result in negative media attention, damaging our reputation and impacting stakeholder support.

Reputational damage could also jeopardise contract renewals and our ability to participate in new tenders.

- Our Standards of Business Conduct applies to all officers and employees, and we endorse leading governance practices, along with training, reporting processes and consequence management.
- We regularly engage and correspond with our customers to provide assurance on our commitment to the highest standards of conduct.
- We continue to strengthen our culture and organisational compliance to protect our reputation and strengthen our position in the marketplace.
- We communicate regularly with all our people across Downer to foster a strong and constructive culture to deliver upon our common Purpose and Promise.



## Overview of risk and potential impact

## Risk mitigation and management strategies

### Delivery management performance and bid governance

Inadequate project performance can affect portfolio returns and erode value.

Given the industries we operate in and the scale of some of our contracts, there is a risk of significant losses if bid governance processes and project delivery are not properly followed.

- Our integrated management system, The Downer Standard (TDS), is a policy and process framework that creates governance, and consistency in how we operate and deliver.
- Our delivery lifecycle framework is integrated with our business performance management frameworks.
- We have established organisational capability uplift programs and quarterly business reviews to focus on driving delivery performance, reviewing key projects and managing operational risks.
- We maintain project risk management processes and systems across our business, as well as specific bid governance processes relating to tenders to evaluate strategic rationale, cost, time and risk.
- Our risk framework and its guiding principles – capacity, capability, counterparty, contract, compensation – prioritises the projects we pursue, selectively focusing on those that offer improved margins and align with customers who value our technical capability.
- Key governance forums – the Tender and Contracts Committee, the Board Project Governance Committee – provide oversight for bid and project governance, contract and tender evaluation, and monitoring, so we have the capability to deliver outcomes effectively while managing appropriate levels of risk.

### Key suppliers, subcontractors and partners

Reliance on a limited number of specialist suppliers or subcontractors can affect project outcomes particularly if performance issues arise.

Where suppliers or subcontractors fail to meet contractual obligations or choose not to renew contracts, our ability to complete projects and secure new work could be compromised.

We maintain long-term relationships with certain suppliers and partners critical to our business activities, and any changes in these relationships could negatively impact our financial performance.

Additionally, conflicts of interest, fraud or corruption within our suppliers, subcontractors or partners could have adverse effects on our operations, reputation and performance.

- We work with key suppliers to assess and manage supply chain resilience.
- Our standardised Procurement Framework is closely aligned to the principles of ISO 20400 – Sustainable Procurement and is supported by tools and platforms. This is designed to assist in engaging suppliers and subcontractors to seek alignment to sustainability objectives defined in our framework.
- In FY24, we implemented a new vendor management system, Felix, to enhance our prequalification and onboarding controls, directly addressing advice from independent procurement and probity experts to further improve our practices in line with AS8001:2021, Fraud and Corruption Control.

### Macroeconomic and geopolitical conditions including government expenditure

Changes in macroeconomic conditions through deterioration in the economy may impact the industries in which we operate and could have a material negative impact on our operational and financial performance.

We must remain agile and responsive to global and local events, including changes in government policy, trade tensions, geopolitical conditions and rising economic uncertainty and volatility.

Public authorities and Government departments in Australia and New Zealand are major customers of Downer. Changes in prioritisation of, or restrictions on, government expenditure may impact our earnings.

- Our Board and Executive Management consider external economic conditions and geopolitical risks when developing strategy and plans to build resilience and responsiveness in the business should events occur.
- We gain perspectives from external subject matter experts, our customers, and key stakeholders.
- We maintain a diversified book of secured work with long-term contracts, which underpins earnings from these projects.
- We operate in diversified markets and with government centric customers to mitigate the impact of budgetary and expenditure reductions or changes in key customer spending profiles.
- We deliver essential maintenance services to critical infrastructure assets. The essential nature of these services helps mitigate both the impact of changing government spending priorities and the duration of any decline in spending.

### Financial markets and treasury

We are subject to various forms of financial market risk including liquidity, interest rate and foreign exchange risk.

Capital market volatility may impact our ability to transact and access suitable capital on acceptable terms due to factors outside of our control including perceptions of our credit rating, our carbon intensity, the global supply of credit and the level of credit defaults.

Therefore, we may not be able to undertake ordinary business operations, potential acquisitions, growth opportunities, or develop new business or respond to competitive pressures.

Rising interest rates may adversely impact our interest payments on our floating rate borrowings. Disruptions in financial markets may affect the availability and cost of hedging, which may have a material adverse impact on our financial performance and position.

We operate internationally and are exposed to foreign exchange rate risks associated with foreign currency denominated debt, input costs and offshore earnings.

- We have a Treasury Risk Management Standard which defines the management of the Group's financial assets and liabilities, and financial market risks giving consideration to the impact on our reputation, financial counterparties, credit ratings, shareholders, customers and suppliers.
- Financial markets risk is governed by a Board approved Treasury Policy, which sets strict parameters to manage liquidity, interest rate and foreign exchange risks by:
  - Access to diverse funding sources on competitive terms and tenors
  - Stipulating minimum and maximum hedging requirements for floating rate borrowings and foreign exchange exposures that reduces exposure to interest rate volatility and exchange rate fluctuations
  - Selecting interest rate hedge counterparties based on credit strength and market capability to allow continued access to efficient hedging sources
  - Establishing committed term funding from investment grade rated banks that is spread over a variety of tenors to minimise refinancing risk
  - Aiming to retain an investment grade credit rating
  - Maintaining a liquidity buffer and financial covenant compliance.
- We engage with existing and potential equity and debt investors to regularly update them about the business.

## Overview of risk and potential impact

## Risk mitigation and management strategies

### Cost escalation

As an integrated service provider, we are exposed to cost escalation and inflationary pressures which may be above budgeted levels across elements of our cost base. If we are unable to offset these cost pressures through contractual inflation recovery mechanisms or planned cost out, this could adversely impact our profitability and financial performance.

- Escalation clauses, where included in customer contracts, provide a degree of protection against increasing costs of service delivery through indexation (e.g. CPI, WPI) or other cost escalation mechanisms.
- Alliance, commercial models with pain/gain share clauses are another form of contract model, which we include where possible in customer contracts to offset the risk of cost escalation above budgeted amounts.
- We perform commercial management reviews of our contracts for appropriateness given prevailing market conditions, including inflation pressures, supply shortages and other potentially disruptive events which may increase costs.
- In instances where we do fixed price work, we often engage in early contractor involvement (ECI) contracting models which enables the contractor to become involved before design is completed and enables enhanced transparency over pricing subcontractor and trades for cost estimates with the aim of reducing risk.
- We employ disciplined cost management of both project and overhead costs.

### Talent, labour and employee relations

Attracting and retaining talent, workforce engagement, upskilling and growing capability is critical to achieve our strategic objectives.

Our growth and profitability may be limited by the loss of key management, the inability to attract suitably qualified personnel, a decline in labour productivity or by increases in costs associated with recruiting and retaining personnel.

In certain functions and operations, we rely on the availability of skilled personnel to deliver our services, making access to labour a potential risk.

The majority of Downer's workforce is covered by a variety of industrial instruments; collective agreements in New Zealand and enterprise agreements and modern awards in Australia. Consequently, we may be exposed to the risk of industrial action which can adversely impact operations and customer experience of our services.

- We are committed to fostering a workplace environment that prioritises inclusion and belonging, supports the health and wellbeing of our people, and provides opportunities for their professional growth and development.
- Downer launched Core People Processes and a new IT system, HRCore, which is directed at the consistent application of best practice people processes.
- In July 2024 Downer launched its target high-performance culture The Downer Difference, with initiatives aimed at improving employee experience, attraction and retention. Aligned with this is our Inclusion & Belonging Strategy with initiatives such as Own Respect (workplace behaviours), Thrive (leadership development), and various Indigenous and inclusion initiatives.
- Talent attraction and retention strategies include career progression pathways, remuneration and other incentives, investment in learning and internal development opportunities including apprenticeships.
- Downer mitigates the risk of industrial action by aiming to effectively engage and consult with our employees and employee representatives to negotiate collective and enterprise agreements, address issues and grievances promptly and comply with workplace laws.
- Further details relating to the management of talent, labour availability and employee retention risks, and related performance, are outlined in our 2024 Sustainability Report.

## Employment arrangements

The majority of Downer's workforce is covered by industrial instruments; collective agreements in New Zealand and enterprise agreements and modern awards in Australia.

These industrial instruments are complex and require interpretation to accurately determine payments and accrual of employee benefits. The application of industrial instruments is subject to change as a consequence of developments in legislation and case law and the requirement to renegotiate and renew them periodically.

The complexity and volume of industrial instruments that apply to Downer could result in issues leading to reputational damage, disruption to operations and an increase in direct and indirect labour costs. All of which may have a negative impact on our financial performance.

- We have an Employment Compliance function in our Business Service Centre that focuses on providing assurance across processes and controls supporting employee payments.
- A dedicated Industrial Relations function, comprised of industrial relations specialists and employment lawyers, provides interpretation, advice, and active management of changes to workplace landscape and specific industrial relations risk.
- Downer conducts ongoing reviews of its Workforce Management processes with a commitment to continuously improving the end-to-end activities associated with employee time capture and payments.

## Climate-related risks

Climate change exposes our business, customers and communities to a range of acute and chronic physical risks, and exposes society and Downer to transition risks.

Physical risks resulting from climate change can be event driven (acute) such as increased severity of extreme weather events (for example, cyclones, droughts, floods and fires) or relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (for example, sea level rise). Potential impacts could include disrupted works and/or damaged assets, which could result in loss of revenue and increased costs for repairs. Exposure to chronic physical risks could see increasing difficulties in Downer to be able to secure insurance for frequent weather-related events.

Transition risks result from the transition to a lower-carbon global economy and include those that relate to policy and legal actions, technology changes, market responses, and reputational considerations. Potential impacts could include increased capital and operating costs, loss of revenue opportunities and legal action.

- Downer's decarbonisation pathway considers commercially viable options to reduce our exposure to carbon-related liability. Downer is continuously monitoring developments to enable timely pivots in response to market and technological changes. This aims to mitigate Downer's exposure to transition risks resulting from policy and legal actions, technology changes and market responses, as well as maintaining our reputation.
- Downer's diverse revenue streams in the sectors we serve helps to mitigate exposure to transition risk stemming from market responses.
- Downer is committed to the Environmental Product Declaration process for the road surfacing products it provides to enhance transparency of the environmental outcomes of these products, to help mitigate transition risk stemming from reputational concerns.
- Downer has insurance against losses from some extreme weather and climate-related events (for example, flood coverage is included in the majority of Downer locations). This does not extend to all impacts stemming from climate-related events (for example, prolonged wet weather that causes demand for asphalt to reduce is not covered).
- Downer continues to assess contractual arrangements and commercial terms with respect to physical impacts of climate change (acute and chronic weather events) that seek appropriate mitigation measures are in place, including force majeure clauses and cost pass through mechanisms.
- For further details regarding Downer's assessment of climate-related risks, refer to Downer's climate-related disclosure (compliant with the Aotearoa New Zealand Climate Standards (NZ CS) issued by the External Reporting Board) on pages 56-77.



## Environmental management

Given the scale and diversity of Downer's operations, Downer is exposed to a broad range of environmental risks across multiple jurisdictions and project types. These risks can significantly affect compliance, operations, reputation, and financial performance. Key exposures include regulatory breaches, and the growing expectation from clients and stakeholders to demonstrate strong environmental performance.

Environmental incidents or underperformance can also harm Downer's reputation, reduce stakeholder trust, and result in financial liabilities such as fines, remediation costs, or higher insurance premiums. Proactively managing these risks is essential to maintaining Downer's licence to operate and securing long-term value. It also presents opportunities to innovate, align with Customer expectations, and strengthen the company's position as a trusted, sustainable service provider in a rapidly evolving market.

Downer is committed to managing the impacts of its activities on the natural and built environment. The Company strives to help its customers succeed by developing and delivering environmentally responsible and sustainable solutions, enabling resilient and thriving communities.

- Downer's environmental management system, accredited to AS/NZ ISO14001:2015, is part of The Downer Standard, a Group-wide integrated management system. This standard enables a consistent approach to identifying and controlling environmental risks and managing environmental performance. The system undergoes internal and external audits by independent third parties to provide oversight and assurance.
- Downer's 10 Environmental Principles provide guidance to employees and stakeholders, promoting awareness of environmental commitments, and aiming for compliance with The Downer Standard and environmental laws. Effective management of environmental risks is integral to Downer's service delivery, with a focus on implementing effective controls through its critical risk program and a commitment to continuous improvement. The Company leverages lessons learned to protect and sustain the natural environment.
- Qualified environment and sustainability professionals are in each business unit to provide support. Business units have planned initiative and actions that support compliance and performance enhancement, along with customised Climate Change and Decarbonisation Plans. These plans assign responsibilities for implementing actions and deliverables, with progress monitored regularly and reported throughout the year. This performance assessment is linked to the business unit's annual performance and the short-term incentive program.

## Workplace health and safety

Downer works in several sectors regarded as high risk.

We are committed to providing an environment where our employees, contractors, customers, and the public are safe at all times. Our ability to meet our corporate and social responsibilities relies on our focus on promoting health, safety and wellbeing.

We recognise that our activities carry risks that could result in serious injury or death. Workplace fatalities or significant injuries not only harm individuals but also negatively impact our operations, employees, and the communities we serve. Furthermore, failure to comply with applicable health and safety regulations could result in penalties and compensation obligations.

- We are committed to the safety, health and wellbeing of our people and our communities through safe practices, identifying critical risks and controls and continuous improvement of our safety performance.
- We continually assess, understand, and mitigate critical risks and high potential incidents applying directions and implementing guidance included in our Cardinal Rules.
- We promote our commitment to health, safety and wellbeing across the organisation through our integrated management system, The Downer Standard.
- We maintain third-party certifications to internationally recognised standards.
- Our Own Respect initiative is a holistic strategy to appropriately adopt recommendations made by the Australian Human Rights Commission Respect@Work Report.
- We identify, assess, apply controls to and consult with our workforce on psychosocial risk in the workplace including bullying and harassment. We encourage employees to raise complaints and have those complaints dealt with appropriately and without reprisal.
- Further details relating to the management of health and safety risks and related performance are outlined in our 2025 Sustainability Report.

**Cybersecurity, system continuity and reliance on information technology**

We rely on the efficient and uninterrupted operation of core technologies, IT infrastructure and systems, which may be vulnerable to system failures, computer viruses, cyberattacks, power outages and human error. Our dependence on third-party service and software providers adds to this risk.

Any disruption could impact our ability to deliver services resulting in customer loss, revenue decline, reputational damage and a weakened competitive position.

A cyberattack, inadvertent data breach or failure to protect confidential information could lead to data loss, legal breaches, system outages and affect our reputation and financial performance.

- We have established Technology and Cyber Risk management practices and have a framework in place to mitigate and reduce the negative impact of information security and technology risks. The Audit and Risk Committee provides oversight of technology, data and cyber related risks.
- We maintain an ISO 27001 certified Information Security Management System describing the standards, controls, and procedures relating to the confidentiality, integrity and availability of critical information assets.
- Our digital strategy focuses on delivering technology solutions that support business performance. This includes a strategic roadmap for our digital future, incorporating automation, digitisation, standardisation and generative AI to improve efficiency and delivery.
- We continue to invest in and maintain key controls in threat and vulnerability management including a Security Operations Centre with a focus on security incident response and planning, user awareness and simulation, management and mitigation of third-party risk, back-ups and resilience for key systems, and IT assurance regimes.
- Further details relating to the management of cybersecurity risks and related performance are outlined in our 2025 Sustainability Report.

**Guarantees, indemnity and liability**

At times we are required to provide guarantees and indemnities for the performance of counterparties, including controlled entities and related parties, regarding their contractual and financial obligations.

There is a risk that we may fail to meet our obligations related to the quality of our products or services, potentially leading to claims for contractual damages or statutory penalties.

Certain entities within Downer are subject to standard design liability for completed design and construction projects. This liability may include claims, disputes, and litigation against Downer and joint ventures in which we have an interest; as well as the obligation to rectify design defects at our own expense.

- We have diversified bonding facilities for providing guarantees related to performance addressing underlying customer credit risk.
- The Group also maintains insurance policies to cover potential liabilities. However, the availability of insurance on suitable terms and at a reasonable cost is not guaranteed and it is possible that certain events may not be fully covered or covered at all.
- We take legal advice in respect of claims and include relevant provisions in our financial statements to fulfill our statutory and contractual obligations including quality assurances in the project delivery. We have standards, management reviews and verification processes to address this risk as set out in The Downer Standard.

## Overview of risk and potential impact

## Risk mitigation and management strategies

### Regulatory compliance and licence to operate

Our business is affected by Government Policy. Changes to industry-specific requirements, general legal and regulatory arrangements and taxation policy can have an adverse effect on our financial performance. Further, any major shift in regulatory policy or reform may impact the profitability of Downer and its customers.

Non-compliance with legislative or regulatory requirements can impact our licence to operate.

- We have dedicated Legal and Compliance personnel who partner with the business to advise on and monitor legal, regulatory and public policy changes, in addition to legal issues and claims.
- We have compliance frameworks, operational compliance plans and assurance programs in place which support and monitor conformity with relevant regulatory requirements.
- Our whistleblower policy supports the reporting of breaches of our Standards of Business Conduct including any inappropriate, unethical, corrupt or illegal behaviour, misconduct, or any other improper situations or circumstances. We maintain both internal and external processes that allow for the reporting of breaches, including Our Voice, which is an external and independent service that allows employees to anonymously report such potential breaches.
- We encourage our employees, subcontractors and partners to voice their concerns if they identify potentially unethical practices. We do not tolerate victimisation of a whistleblower and are committed to providing support and protection against any reprisal for reporting a breach or potential breach. Any employee found to have victimised another will be subject to disciplinary action.
- We continue to maintain and enhance The Downer Standard and employee compliance training programs to enable our people to act with high ethical standards and comply with relevant obligations.

### Transformation

We continue to undergo an enterprise-wide transformation program to position us for long-term sustainable success.

Failure to successfully manage, execute and deliver the initiatives identified in this transformation program could adversely impact our business operations, strategic objectives, profitability, shareholder returns, credit rating and market confidence.

- An Enterprise Project Management Office oversees and coordinates Group-wide transformation projects, to support initiatives that align with our ambitions and targets.
- Ownership and accountability for executing transformation initiatives sits with the respective Business Units and functional leaders which have dedicated teams to oversee the delivery of improvement projects.
- We are driving effectiveness by building transformation capabilities across the business, fostering Group-wide learning and promoting accountability for delivering change initiatives.
- An Investment Committee oversees and approves funding and related business cases for strategic initiatives.
- We work with external business transformation experts as required to implement our new operating model and other continuous improvement initiatives.

### Exogenous events

We operate in an ever-changing landscape and are not immune to unexpected and unpredictable events that have significant negative impacts on both our short-term and long-term goals and objectives.

These unpredictable events include, but are not limited to, pandemics, extreme weather events, changes in climatic conditions, geo-political instability, supply chain disruption, and military conflicts.

- We have experience in responding to crises and unpredictable events.
- By reflecting on past experiences, we continually improve our crisis response and build resilience and agility into our business to manage future uncertainties.
- Through our risk management processes we aim to identify potential risks and vulnerabilities, allowing us to implement appropriate plans and mitigation strategies should such events occur.

## Outlook

We enter FY26 with good momentum, confidence in our market positions, and greater stability in our business following the completion of our portfolio simplification.

In the short term, market conditions are expected to be stable, with Australian Transport Agency spend expected to remain subdued.

In the medium term, the outlook for sustainable growth is positive, assisted by New Zealand transport infrastructure programs and favourable sector exposures; energy transition, defence spending, population growth and local industry revitalisation.

The next phase of our transformation will include investments in modernising our work practices with further standardisation, digitisation and adoption of AI to drive productivity, improved customer experience and cost efficiency benefits.

In FY26 we are targeting both underlying earnings and EBITA margin improvement, with underlying revenue forecast to be flat to slightly lower than FY25 pro forma revenue.<sup>1</sup>

## Subsequent events

On 1 July 2025, Downer entered into an agreement for the sale of its 49% interest in Keolis Downer, to the Keolis Group. The transaction is expected to complete in late 2025, subject to Foreign Investment Review Board approval and customary conditions.

On 8 July 2025, the Group repaid its US Private Placement borrowings through available liquidity.

On 31 July 2025, the Group completed the sale of Cleaning New Zealand business to Dimeo. The assets and liabilities of the business were classified as held for sale at year end (refer to Note F7).

On 21 August 2025, the Directors approved a \$230 million on-market share buy-back program.

Outside the above, at the date of this report, there is no other matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

## Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the Group other than that referred to in the Financial Statements or notes thereto.

## Employee Discount Share Plan (ESP)

An ESP was instituted in June 2005. In accordance with the provisions of the plan, as approved by shareholders at the 1998 Annual General Meeting, permanent full-time and part-time employees of Downer EDI Limited and its subsidiary companies who have completed six months service may be invited to participate.

No shares were issued under the ESP during the years ended 30 June 2025 or 30 June 2024.

There are no performance rights or performance options, in relation to unissued shares, that are outstanding.

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<sup>1</sup> FY25 pro forma revenue was \$10,566 billion.



## Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of Board Committees) held during the 2025 financial year and the number of meetings attended by each Director (while they were a Director or Board Committee member). During the year, twelve Board meetings, nine Audit and Risk Committee meetings, six People and Culture Committee meetings, eighteen Project Governance Committee meetings, eight Zero Harm Committee meetings and three Nominations Committee meetings were held in addition to four ad hoc meetings attended by various Directors in relation to treasury and various other matters.

Director	Board – Scheduled		Board – Unscheduled	
	Eligible <sup>1</sup>	Attended	Eligible <sup>1</sup>	Attended
Mark Menhinnitt (Chair)	9	9	3	3
Peter Tompkins	9	9	3	3
Peter Barker	9	9	3	3
Sheridan Broadbent	9	9	3	3
Teresa Handicott	9	9	3	3
Nicole Hollows <sup>2</sup>	2	2	3	3
Adelle Howse	9	9	3	3
Steven MacDonald	9	9	3	3
Director	Audit and Risk Committee – Scheduled		Audit and Risk Committee – Unscheduled	
	Eligible <sup>1</sup>	Attended	Eligible <sup>1</sup>	Attended
Peter Barker (Chair from 1 November 2024) <sup>3</sup>	6	6	3	3
Teresa Handicott <sup>10</sup>	6	6	3	2
Nicole Hollows (Chair to 1 November 2024) <sup>2</sup>	2	2	2	2
Adelle Howse	6	6	3	3
Steven MacDonald	6	6	3	3
Director	People and Culture – Scheduled		People and Culture – Unscheduled	
	Eligible <sup>1</sup>	Attended	Eligible <sup>1</sup>	Attended
Adelle Howse (Chair)	4	4	2	2
Mark Menhinnitt	4	4	2	2
Peter Barker <sup>4</sup>	3	3	1	1
Sheridan Broadbent	4	4	2	2
Nicole Hollows <sup>2</sup>	1	1	1	1
Director	Project Governance Committee – Scheduled		Project Governance Committee – Unscheduled	
	Eligible <sup>1</sup>	Attended	Eligible <sup>1</sup>	Attended
Steven MacDonald (Chair from 1 September 2024) <sup>9</sup>	11	10	7	7
Mark Menhinnitt (Chair to 1 September 2024) <sup>5</sup>	11	11	7	7
Peter Tompkins <sup>8</sup>	11	10	7	6
Peter Barker	11	11	7	7
Sheridan Broadbent <sup>7</sup>	11	11	7	6
Nicole Hollows	4	4	1	1

Director	Zero Harm Committee Scheduled		Zero Harm Committee - Unscheduled	
	Eligible <sup>1</sup>	Attended	Eligible <sup>1</sup>	Attended
Sheridan Broadbent (Chair)	4	4	4	4
Mark Menhinnitt	4	4	4	4
Peter Tompkins	4	4	4	4
Teresa Handicott	4	4	4	4
Steven MacDonald	4	4	4	4

Director	Nominations Committee	
	Eligible <sup>1</sup>	Attended
Mark Menhinnitt (Chair)	3	3
Peter Barker <sup>6</sup>	2	2
Sheridan Broadbent <sup>6</sup>	2	2
Teresa Handicott	3	3
Nicole Hollows	1	1
Adelle Howse	3	3
Steven MacDonald <sup>6</sup>	2	2

- These columns indicate the number of meetings eligible during the period each person listed was a Director or member of the relevant Board Committee.
- Ms Hollows retired on 15 November 2024.
- Mr Barker became a member of the Audit and Risk Committee on 1 July 2024 and became Chair of the Audit and Risk Committee on 1 November 2024.
- Mr Barker became a member of the People and Culture Committee on 1 November 2024.
- Mr Menhinnitt ceased as the Chair of the Project Governance Committee on 1 September 2024.
- Mr Barker, Mr MacDonald and Ms Broadbent became members of the Nominations Committee on 22 October 2024.
- Ms Broadbent was an apology for one unscheduled Project Governance Committee meeting that was convened at short notice due to pre-existing commitments.
- Mr Tompkins was an apology for one scheduled Project Governance Committee meeting due to an urgent business matter and one unscheduled meeting convened at short notice due to pre-existing commitments.
- Mr MacDonald was an apology for one scheduled Project Governance Committee meeting due to a serious family matter.
- Ms Handicott was on leave of absence for one unscheduled Audit and Risk Committee meeting.

## Indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary, all officers of the Company and of any related body corporate against a liability incurred as a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001* (Cth).

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Downer's Constitution includes indemnities, to the extent permitted by law, for each Director and Company Secretary of Downer and its subsidiaries against liability incurred in the performance of their roles as officers. The Directors and the Company Secretaries listed on pages 20 to 24, individuals who act as a Director or Company Secretary of Downer's subsidiaries and certain individuals who formerly held any of these roles also have the benefit of the indemnity in the Constitution.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

## Corporate Governance

The Board endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles). The Group's corporate governance statement is set out at pages 236 to 254 of this Annual Report.

## Non-audit services

Downer is committed to audit independence. The Audit and Risk Committee reviews the independence of the external auditors on an annual basis. This process includes confirmation from the auditors that, in their professional judgement, they are independent of the Group. So that there is no potential conflict of interest in work undertaken by Downer's external auditors, they may only provide services that are consistent with the role of the Company's auditor.

PricewaterhouseCoopers (PwC) was appointed external auditor during the prior financial year in April 2024.

The Board has considered the position of audit independence and, in accordance with the advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). In the prior year this included consideration of services provided by PwC prior to their appointment as our external auditor and cessation of services deemed incompatible with the role of external auditor.

The Directors are of the opinion that the services as disclosed below do not compromise the external auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved so that they do not impact the integrity and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

A copy of the auditor's independence declaration is set out on page 114 of this Annual Report.

During the year, details of the fees paid or payable for non-audit services provided by the auditors of the parent entity, its related practices and related audit firms were as follows:

Non-audit services	2025 \$	2024 \$
Tax services	153,988	150,681
Advisory services	–	214,377
Other services and agreed upon procedures	99,670	85,000
	<b>253,658</b>	<b>450,058</b>

PwC's fees for Non-audit services during the prior year included \$295,653 for engagements entered prior to PwC's appointment as auditors. KPMG was the Group's auditor during the prior financial year until cessation. Non-audit remuneration of KPMG whilst auditor during the prior financial year was \$42,447.

## Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and consolidated financial statements. Unless otherwise stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars.

# Climate statement

## Statement of Compliance

This statement is Downer EDI Limited's climate-related disclosure that complies with the Aotearoa New Zealand Climate Standards (NZ CS) issued by the External Reporting Board. This statement covers all material parts of Downer's value chain. Downer has elected to use the following adoption provisions from NZ CS 2:

- Adoption Provision 2: Anticipated financial impacts of climate-related risks and opportunities
- Adoption Provision 4: Scope 3 Greenhouse gas (GHG) emissions
- Adoption Provision 5: Comparatives for Scope 3 GHG emissions
- Adoption Provision 6: Comparatives for metrics
- Adoption Provision 7: Analysis of trends
- Adoption Provision 8: Scope 3 GHG emissions assurance.

The climate statement was approved on behalf of the Board on 20 August 2025.



**Mark Menhinnitt**  
Chair



**Sheridan Broadbent**  
Chair – Zero Harm Committee

Please refer to page 211 for the Aotearoa New Zealand Climate Standards Climate-related Disclosures Reference Table, and page 220 for Downer's Climate Statement Basis of Preparation. Please refer to <https://www.downergroup.com/sustainability-report-2025> for PwC's Limited Assurance Report for Downer's Scope 1 and Scope 2 (calculated using the location-based method) emissions.



Climate governance

Downer’s corporate governance framework provides the platform for the identification and management of key risks, including those relating to environment and climate, across the Group. This section provides an overview of Downer’s governance framework as it relates to climate- related risks and opportunities. For detailed information on Downer’s Corporate Governance Framework, please refer to Downer’s Annual Report, page 236. Additional details on Board Charters and Committees can be found on Downer’s website.

The Downer EDI Limited Board is the body with oversight of climate-related risks and opportunities across Downer. The Board receives updates on climate-related matters at least quarterly. These updates include progress towards Downer’s near-term and long-term emissions reduction targets, reviewed annually, and updates on climate-related risks and opportunities that have been prioritised as those that could most reasonably be expected to impact Downer’s financial prospects in the short, medium and long term.

These updates provide the Board with sufficient information to keep well-informed to monitor and assess impacts of climate-related risks on Downer’s strategy.

The Board is also responsible for approving Downer’s climate targets, comprising of its near-term and long-term emissions reduction targets, and its climate-related disclosures. For more detail on Downer’s emissions reduction targets, refer to page 75.

Annually, Downer’s Directors review their skills and competencies for currency, including those related to climate-related risks and opportunities. They also seek advice from external third parties regarding climate-related obligations, regulations and requirements. In the previous period, Downer engaged MinterEllison and Pollination Law to undertake a review of the Group’s climate governance. In FY25, Downer engaged Deloitte to assist with its Climate risk and opportunity identification, as well as input into its scenario analysis. Downer also engaged MinterEllisonRuddWatts to perform a legal review over the Climate Statement. In addition, the Board maintains its knowledge through various forms such as publications featuring climate-related matters that are published by the Australian Institute of Company Directors and legal practices as well as taking part in other external climate-related trainings and upskilling courses.

Downer’s Directors have engaged with Management and the Executive Leadership Team in preparation for the Group’s 30 June 2026 first AASB S2 aligned climate disclosures. In particular, the Directors have been involved with reviewing Downer’s refreshed prioritised climate-related risks and opportunities, the scenarios for use in the FY25 climate scenario analysis, the results of this analysis, and Downer’s near-term Scope 1 and 2 GHG emissions target.

The below illustrates the Group’s climate-related governance structure, depicting the Board’s relationship with relevant committees, Executive Leadership and Management.



The Board exercises oversight over climate-related risks and opportunities through its various Board committees and reporting from management (on a monthly basis, with performance reporting on emissions). These committees include:

**Zero Harm Committee:** The primary committee with oversight and responsibility for climate-related matters. This includes monitoring climate-related metrics on a quarterly basis (including those related to targets approved by the Board) and overseeing the development, implementation and review of climate-related processes and procedures. Additionally, the committee oversees climate-related risks and opportunities, with a particular focus on governing the financial implications of climate change, and associated reporting requirements. This is considered on a biannual basis, through the provision of enterprise risk reporting. On an annual basis, the Zero Harm Committee considers the reasonable basis of Downer's emission reduction targets with reference to annual business plans.

In FY25, the Zero Harm Committee convened eight times, with matters relating to climate-related risks and opportunities discussed at every meeting. In addition to its regular schedule, the Committee held a subcommittee meeting in August 2024 focused on finalising key elements of the Group's 2024 Climate Statement. A special purpose meeting was also held out of cycle in July 2025, dedicated entirely to the 2025 Climate Statement and related climate risks and opportunities. The Committee expects to continue discussing climate-related matters at least quarterly.

**Audit and Risk Committee:** Assists the Board in overseeing Downer's risk profile and policies, the effectiveness of internal control systems, and risk management framework – for all risks, including those related to climate. It also governs compliance with applicable legal and regulatory obligations, including those related to climate, through seeking information, providing lines of inquiry and challenging Management on material issues for completeness and accuracy. The Audit and Risk Committee has oversight over Downer's climate-related financial disclosure and is engaged on climate-related matters such as Downer's climate-related risk and opportunity assessment at least bi-annually (FY25: two meetings).

**People and Culture Committee:** Meets quarterly, or more frequently as needed. It is responsible for setting remuneration measures and KPIs for Downer's Short-Term Incentive scheme, including those for environment, climate change and decarbonisation. In FY25, three meetings were held which discussed climate-related targets. The committee also receives annual reports from management regarding Downer's emissions performance, which inform the application of Downer's Remuneration Policy for sustainability-linked remuneration. For more information refer to page 93 of Downer's 2025 Annual Report.

**Project Governance Committee:** Responsible for reviewing contracts and tenders that exceed a specified value or risk threshold so that Downer has the capability to deliver them effectively and within acceptable risk parameters. The committee serves as a mechanism for project teams to raise climate-related issues and other sustainability risks (where relevant). Mitigations and controls are evaluated in the context of the broader project and the committee confirms that the necessary commercial terms within the contract are in place to support the effective implementation of sustainability measures. This approach enables us to manage our impact and remain aligned with our risk appetite.

## Executive and Management oversight

Downer's Board delegates the day-to-day oversight and responsibility over climate-related matters to the Executive Leadership Team and appointed Management positions. Downer Executives report to the Board monthly on climate-related matters, which can include GHG emissions performance, decarbonisation initiatives and related progress, Business Unit decarbonisation plans and strategies, updates on climate-related risks and opportunities, and other climate-related updates deemed relevant.

Key roles that have been delegated to executives and management to support the Board's oversight over climate-related matters include:

- **The Chief Executive Officer:** delegated ultimate responsibility and oversight over climate-related matters from a Management perspective, including Executive endorsement of the climate-related financial disclosures.
- **The Chief Financial Officer:** is delegated responsibility and oversight over climate-related matters from a subject-matter perspective, including incorporation of climate-related matters into financial practices and reporting, where relevant.
- **The Executive General Manager Sustainability and Environment:** has been delegated the daily responsibility of oversight over the Group's climate-related matters.

## Management committees

**Tender and Contracts Committee:** Makes recommendations to the Group CEO on bid and tender risks and opportunities, in accordance with its Bid Risk and Opportunity Management Procedure. A preliminary carbon impact assessment is included in the tender submissions. Monthly updates on the number of opportunities pursued, prepared and submitted during the month, including climate-related matters where relevant, are provided to the Board.

**Investment Committee:** Administers the Downer Decarbonisation Fund to enable projects that aim to contribute to Downer's emissions reduction targets and review the commercial feasibility of proposals. The Decarbonisation Fund does not have specific deployment targets. A Group performance report including capital expenditure and mergers and acquisitions that exceed the CEO's financial delegation is submitted to the Board on a monthly basis.

**Enterprise Program Management Office (EPMO):** Established in FY25 to provide enhanced visibility, governance and risk mitigation to strategically important programs. A Sustainability & Climate program was established within the Group's key enterprise strategic initiatives, with a workstream focused on developing and enhancing Downer's Sustainability & Climate strategy and reporting disclosures as detailed within this Statement. This workstream provides monthly updates to the Board through the CEO Report and Group Performance Report.

**Executive Leadership Team meetings:** Climate change is considered in various periodic meetings, including the monthly Executive meeting that includes the Chief Executive Officer, Chief Financial Officer, Chief People Officer, Chief Risk Officer, Group General Counsel and Company Secretary, the Chief Operating Officers of each Business Unit, and Group Functional Leads including the Executive General Manager Sustainability and Environment, and Executive General Manager Zero Harm.

In FY25, 11 meetings were held. These monthly meetings include discussion of progress of climate change and decarbonisation plans, including initiatives and performance. Outputs of these meetings form part of engagement with the Board and Board Committees, where relevant.

**Business Unit Senior Leadership forums:** Each Business Unit also holds Senior Leadership meetings where climate-related issues are discussed and performance is monitored. Each Business Unit held 10 meetings (for a total of 40 meetings across the Group) during FY25. Environment and Sustainability Managers presented at two of these meetings each to Business Unit Senior Leadership on topics which may include decarbonisation strategies, climate risks and opportunities, emerging technologies and GHG emissions performance. Outputs of these meetings contribute to engagement with Executive leadership, which in turn feeds into discussions with the Board and Board Committees.

**Corporate Leaders Meeting:** The monthly forum is designed to facilitate information sharing and cross-functional alignment amongst Downer's Group Functional Leaders. In FY25, 9 meetings were held. This meeting plays a key role in supporting the effective coordination and delivery of corporate programs, including climate-related initiatives. Throughout FY25, the forum received updates on climate-related matters from the Group Executive General Manager, Sustainability and Environment. These updates covered a range of topics, including the identification and quantification of climate-related risks and opportunities, climate scenario analysis, progress on decarbonisation initiatives, updates on Sustainability-Linked Loan performance, and Business Unit performance against climate-related Short-Term Incentive (STI) measures for FY25.

## Climate change resilience

A core focus of Downer's strategy is to capture opportunities to help our customers deal with the energy transition and support them on their decarbonisation journeys.

Climate change presents a range of physical and transition risks to our business, customers, and the communities we serve. Physical risks may be acute, such as the increasing frequency and intensity of extreme weather events like cyclones, droughts, floods, and bushfires. They may also be chronic, involving long-term changes in climate patterns, including shifts in temperature, precipitation, and rising sea levels.

Transition risks arise from the global shift toward a low-carbon economy. These include potential impacts from evolving policies and regulations, technological advancements, market dynamics, and reputational pressures. Risks may result in additional costs and/or reduced revenues.

At the same time, climate change can present opportunities. There is growing potential to deliver climate adaptation and mitigation solutions, as well as to develop and offer low-emissions products and services. These opportunities may emerge both from the physical impacts of climate change and from the broader transition to a more sustainable, low-carbon future.

Downer has considered climate-related risks and opportunities in testing the viability and execution of its strategy, as disclosed in the scenario analysis section below. Risk and opportunities assessments considered Downer's entire value chain. Considerations regarding integration into internal capital deployment and funding decisions have been included in the Risk management section on page 43. For a full description of Downer's business model, refer to page 25.

Downer engaged Deloitte in FY25 to support with the identification, assessment and prioritisation of climate-related risks and opportunities that are expected to have the most significant impact on its business model and value chain. Through this assessment, leaders from across all Downer Business Units were engaged through:

- Business Unit climate-related risk and opportunity workshops where identified climate-related risks and opportunities were rated against the Group's risk assessment criteria; and
- Review and validation of the results from each Business Unit's respective workshop.

Subsequent to the Business Unit validation, the results were aggregated at a Group level for prioritisation. These prioritised risks were then carried into Downer's scenario analysis.

The process undertaken for the assessment and prioritisation of the identified climate-related risks and opportunities was refined in FY25 in comparison to the process undertaken in FY24. We have continued to develop our approach to identifying, assessing and prioritising the climate-related risks and opportunities that could reasonably affect the business and value chain.

From the list of climate-related risks and climate-related opportunities identified, the following climate-related risks and opportunities were prioritised through this assessment:

## Risks

Risk	Risk theme
Extreme rainfall, prolonged exposure to rain and severe weather	Physical – Acute
Utility price volatility in the energy transition	Transition – Policy & Legal
Transition to lower emissions and more efficient technology	Transition – Technology

## Opportunities

Opportunity	Opportunity theme
Increased government spending on infrastructure as a result of extreme weather events	Physical – Acute
Supporting decarbonisation and energy transition efforts through electrification, improved energy efficiency and the design, construction and maintenance of renewable energy projects and associated infrastructure and facilities.	Transition – Technology

Consideration regarding integration of the above climate-related risks and opportunities into capital deployment and funding decisions is included in the Risk Management section on page 43 and within the Capital Deployment sub-section on page 74.



## Scenario analysis

In FY25, Downer engaged Deloitte to conduct scenario analysis on a standalone basis to test our business resilience under different climate outcomes. The scenario analysis was undertaken through several sessions of consultation with Downer's subject matter experts, such as the Executive General Manager Sustainability and Environment and the Group Manager Climate & Sustainability. Downer used the following data sources in constructing our scenarios:

- Network for Greening the Financial System (NGFS) Climate Scenarios
- Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.

Key considerations in the scenario selection included the availability of data specific to Australia and New Zealand, whether the scenarios aligned with the temperature pathways required by NZ CS 1, and whether they included information relevant to Downer's operations.

Downer believes that the chosen scenarios are suitable to test its business model and strategy against the climate-related risks and opportunities. These scenarios assess both major physical risks and the challenges of transitioning to a low-carbon economy, to provide a series of ranges for plausible future states of the world. For FY25, Downer has used three scenarios to assess its exposure to physical and transition risks and climate-related opportunities, providing a balanced view of potential impacts across prioritised climate-related risks and opportunities. These were chosen to provide a more balanced view of potential climate-related impacts. The scenarios for Downer's FY25 climate scenario analysis were all approved for use by Management and endorsed by the Zero Harm Committee.

Downer has previously utilised the IPCC SSP5-8.5 scenario in prior scenario analysis undertaken. Downer's view is that the IPCC SSP3-7.0 scenario presents a more likely future and is being more widely utilised by Governments and organisations. As such, we have opted to replace the IPCC SSP5-8.5 scenario with SSP3-7.0 for this year's scenario analysis. Similarly, as market and governing-body consensus shifts, Downer will reassess the validity and suitability of its chosen scenarios.

Findings of the scenario analysis were reviewed by Downer subject matter experts and subsequently presented to the Zero Harm Committee for review and discussion. The outcomes presented in this statement were approved by the Board through their review and approval of the Climate Statement, and formed a key consideration for Downer's climate adaptation and mitigation efforts as well as a key component in the development of Downer's transition plan. Refer to page 69 for further detail on Downer's transition plan.

Each scenario was considered over the following time horizons:

**Physical risks:** Short term (2030), Medium term (2050), Long term (2070).

**Transition risks and opportunities:** Short term (2030), Medium term (2040), Long term (2050).

These timeframes were informed in consultation with Deloitte. These timeframes do not align with timeframes used in general internal risk management processes. Downer's general risk management processes refer to current (<12 months) and non-current (>12 months) impacts – the latter of which is not sufficiently distinguished to assess Downer's potential exposure to climate-related risks. Accordingly, Downer considered different time frames for physical and transition risks. The long-term transition risk and opportunity time frame of 2050 was chosen to align with the imperative of the Paris Agreement to reach Net Zero by 2050. The assumption, therefore is that the world has mostly transitioned by this timeframe and decadal checkpoints to assess where Downer should consider pivots in its strategy were deemed necessary. With regards to physical risks and opportunities, it is expected that exposure to these will surpass the 2050 timeframe due to the time lag of the impact of a reduction in carbon emissions on temperature increases, and a longer time frame was deemed to provide more meaningful analysis.

## Climate scenarios used in FY25

Scenario name	Low climate change scenario	Medium climate change scenario	High climate change scenario
<b>Scenario inputs</b>	<p>NGFS – Orderly, net zero 2050 (1.5°C)</p> <p>IPCC – 1.8°C; Shared Socioeconomic Pathway (SSP) 1; Representative Concentration Pathway (RCP) 2.6<sup>1</sup></p>	<p>NGFS – Disorderly, delayed transition (2°C)</p> <p>IPCC – 2.7°C; Shared Socioeconomic Pathway (SSP) 2; Representative Concentration Pathway (RCP) 4.5</p>	<p>NGFS – Current policies (3°C)</p> <p>IPCC – 3.6°C; Shared Socioeconomic Pathway (SSP) 3; Representative Concentration Pathway (RCP) 7.0</p>
<b>Scenario details</b>	<p>The world embarks on a coordinated path to limit global warming, with strong international cooperation and sustained policy efforts. Global CO<sub>2</sub> emissions decline steadily, driven by high investment in low-emissions technologies and a strategic, orderly transition to a net-zero economy by 2050. Australia and New Zealand align with this global momentum, implementing strong climate policies and accelerating the deployment of renewable energy and carbon dioxide removal technologies.</p> <p>The scenario reflects moderate reliance on carbon removal and a high degree of technological innovation, supported by societal shifts toward sustainability. Aggressive mitigation strategies so that global warming is kept well below 2°C, with the potential to reach as low as 1.5°C. This scenario reflects a world that prioritises sustainable development, balancing economic growth with ambitious climate action.</p>	<p>A delayed and fragmented global response to climate change. Until 2030, most countries maintain current mitigation strategies with limited ambition and policy shifts occur abruptly and unevenly after 2030. High-emitting sectors face rapid and uncoordinated changes, resulting in economic and technological disruptions.</p> <p>International cooperation remains limited, and climate policies vary widely across regions. Emissions decline gradually, but the continued reliance on fossil fuels alongside a slow uptake of renewables hampers progress. Technological advancements are unevenly distributed, and greenhouse gas intensity remains high in many areas.</p> <p>As a result, global warming reaches 2.0°C, and could rise to approximately 2.7°C by the end of the century.</p>	<p>Global climate action remains insufficient to meet international targets. While some climate policies are introduced, they fall short of the scale and speed required to significantly reduce emissions. Emissions peak around 2030, followed by only modest and uneven reductions through mid-century.</p> <p>Technological development continues at a moderate pace, but adoption is inconsistent across regions. Carbon pricing exists in some jurisdictions, yet it is fragmented and lacks the strength to drive meaningful change. The global energy mix remains heavily reliant on fossil fuels, with only gradual growth in renewable energy.</p> <p>Without additional measures, global temperatures rise to between 3°C and 3.6°C by 2100. This level of warming leads to severe and widespread impacts, including deteriorating living conditions, increased health risks, ecosystem degradation, and disruptions to infrastructure and supply chains.</p>

The analysis, performed with assistance from Deloitte in 2025, informed the estimates of the magnitude and timeframe of risks that Downer may be exposed to. Downer will build on this analysis in future periods through deeper quantification of key physical and transition risks, in order to refine its estimates of any material financial outcomes.

## Climate-related risks

In the climate-related risks table that follows, some mitigations refer to Downer's decarbonisation pathway. Refer to page 73 for an outline of this pathway, and page 72 for a summary of how it is integrated into Downer's risk management framework, including capital allocation considerations.

<sup>1</sup> This scenario has been considered to be a 1.5°C physical risk scenario by Downer given there is a temperature range of 1.3°C to 2.4°C..

Type	Climate-related risks	Nature of the risk	Time horizon	Mitigation
Transition Risks	<p>Policy and legal</p> <p>Utility price volatility in the energy transition, partly driven by the potential introduction of a carbon price</p>	<p>Investments in renewable energy and storage, combined with an expansion of carbon pricing legislation in Australia and New Zealand, could increase Downer's operating costs in electricity, natural gas, petrol, and diesel, particularly if energy suppliers pass on costs to customers. Downer's future utility costs will be affected by the Group's change in utility usage and utility price shifts in line with the climate model projections. In addition, if there are delays to the energy transition Downer could be exposed to risk through the extension of life of existing generation assets, which become less efficient over time, resulting in increasing energy costs.</p>	<p>Short term,</p> <p>Medium term,</p> <p>Long term.</p> <p>Status: Increasing</p>	<p>Downer's decarbonisation pathway considers commercially viable options to reduce future carbon liabilities, and this is monitored and reviewed continuously. Further, the scenario analysis undertaken indicates a greatly reduced carbon price exposure if Downer is able to decarbonise in line with its emissions reduction projections. Utilising the Short-Term Incentive Plan to cascade emissions reduction targets to Downer's Executives and Senior Managers within the Business Units further supports mitigating efforts – incentivising increases in existing programs around energy efficiency. Given Downer's role as contractor, there can be mechanisms for pass through of utility costs to customers. In addition, Downer's cost reduction and performance management focus extends to, for example, fleet rationalisation.</p>
	<p>Technology</p> <p>Transition to lower emissions and more efficient technology</p>	<p>The transition to lower-emission and more energy efficient technologies can require substantial upfront capital investments, with uncertain timing due to the dependency on technology advancement and innovation to provide cost effective solutions that don't exist today. There is also uncertainty in timing of customer procurement strategies specifying lower emissions services / products, which in turn, impacts Downer's ability to transition. Downer's ability to transition to lower emissions, more energy efficient technologies is centralised to two of its major emissions contributors:</p> <p>The manufacture of asphalt; and</p> <p>Its light and heavy vehicle fleet.</p> <p>Downer's decarbonisation trajectories incorporate the following technologies:</p> <p>Increased use of green electricity</p> <p>Adoption of warm mix and ambient asphalt,</p> <p>The transition of asphalt plants to hydrogen fuel, and</p> <p>Increase the percentage of alternative fuel vehicles in the fleet.</p>	<p>Short term,</p> <p>Medium term.</p> <p>Status: Stable</p>	<p>Downer's decarbonisation pathway currently has no reliance on accelerated retirements of assets with increased capital costs, and is monitored at least annually.</p> <p>For instance, the majority of Downer's asphalt plants within Australia are capable of producing warm mix asphalt, with the short-term limitation being customer specifications. However, should this change occur rapidly, Downer is well positioned to adapt and meet customer requirements.</p> <p>While some of Downer's fleet vehicles are owned, the majority are leased vehicles with an average lease term of five years. This enables Downer to pivot and adapt as new technologies are made available.</p> <p>Downer aims to allocate capital in a timely manner in order to remain competitive in the market and reduce the risk of assets becoming obsolete or stranded.</p>

Type	Climate-related risks	Nature of the risk	Time horizon	Mitigation
Physical Risks	<b>Acute and Chronic</b> Extreme rainfall, prolonged exposure to rain and severe weather	<p>Acute and chronic rainfall and severe weather events can disrupt Downer's operations by waterlogging sites, damaging infrastructure and restricting site access.</p> <ul style="list-style-type: none"> <li>■ Extreme rainfall and flooding can disrupt operations by damaging infrastructure, flooding construction locations, and restricting site access. This may lead to increased repair and clean-up costs, and pose safety and environmental risks.</li> <li>■ Chronic and prolonged rainfall can delay projects by waterlogging sites, making ground conditions unsuitable for earthworks and preventing asphalt from being laid.</li> <li>■ Severe weather, including intense wind and rainfall, can lead to flooding, erosion, site shutdowns, and infrastructure damage, resulting in project delays, increased remediation costs, and reduced productivity.</li> </ul>	Short term Medium term, Long term. Status: Increasing	<p>Downer has insurance against losses from some extreme weather and climate-related events (for example, flood coverage is included in Downer's insurance program) as a mitigant against the financial losses that may occur. Downer leverages Harm Prevention, Zero Harm policies, standards and procedures to address health and safety. In relation to Downer's asphalt plants in Australia, Business Continuity Plans are in place which address climate-related events, which are updated annually. In New Zealand, none of Downer's asphalt plants are in high flood risk areas, and this risk is reviewed during the building consent process during establishment. Downer reschedules work when adverse weather conditions prevent continuation, builds in contingency time and commercial terms with subcontractors to mitigate weather risk and applies cost pass-through models when appropriate. For example, within some design and/or construction works in our Power Projects business, weather risk is managed upfront at the tendering phase with modelling of potential weather events and their impact on delivery timing, and we often have the ability to secure extensions of time should pre-agreed weather caps be exceeded. Monitoring of this risk occurs using pre-agreed Bureau of Meteorology stations and data. Although these mitigations are in place, there remains a residual risk in the event that insurance provides insufficient coverage, and if commercially Downer has incorrectly estimated weather impacts/delay costs resulting in an inability to recover overheads.</p>

## Climate-related opportunities

Type	Climate-related opportunities	Nature of the opportunity	Time horizon	Strategy
Climate-related opportunities	<b>Acute Physical</b> Extreme weather events can lead to increased government and private spending on infrastructure, providing opportunity to secure revenue.	<p>Extreme weather events can damage assets and infrastructure, potentially increasing demand for repair and recovery services. This may lead to higher revenue for Downer, as governments and private organisations engage Downer for reconstruction, adaptation and resilience work.</p> <p>Downer may also see new revenue opportunities in regions where it currently has no presence but where climate exposure is projected to rise, driving increased government and private spending on disaster recovery and resilience.</p>	Short term Medium term, Long term. Status: Increasing	<p>Downer has assessed weather-exposed and vulnerable areas where it currently has operations. Capacity and existing infrastructure has been assessed against future services that can be provided in these areas. Business cases have started to receive approval for replacing or expanding the infrastructure to start delivering on these services, such as the Lismore Asphalt Plant. Downer engages with customers on an ongoing basis to understand their needs so that services and infrastructure can be planned accordingly. Downer is expected to continue with this strategy prospectively.</p> <p>Downer works closely with its customers to understand their needs and project pipelines, identifying opportunities to provide sustainable solutions across its service delivery where appropriate. In New Zealand, Downer has offered low-carbon alternatives such as BioBind, a bitumen derived from plant fibres rather than traditional crude oil in recovery projects whenever feasible. In Australia, Downer is collaborating with customers on other low-carbon products like Reconophalt and plans to expand its range of sustainable offerings, including BioBind, in the future.</p>
	<b>Technology</b> Supporting customers' decarbonisation and energy transition efforts through electrification, improved energy efficiency, and advancing renewable energy through transmission and battery projects.	<p>Growing pressure to decarbonise in response to climate change is reshaping markets, with some industries expanding and others contracting to meet evolving environmental regulations and expectations. These shifts may impact the size of Downer's customer base and associated revenue across sectors. In addition, demand from existing customers is likely to increase for services related to electrification and renewable energy projects.</p> <p>As investment in electrification, renewable energy technologies, and energy storage increases, Downer's customers may gain greater access to funding for such projects, driving increased demand for Downer's related services.</p>	Short term Medium term, Long term. Status: Increasing	<p>Due to Downer's diversity in services capability, its revenue base is expected to be responsive and resilient across all low, medium and high emissions climate scenarios assessed. There are various opportunity areas and levers present to support the transition and maintain strong revenue growth within the services, transport and utilities sectors provided these opportunities align with Downer's risk appetite.</p>



## Current year and anticipated impacts

Downer has utilised Adoption Provision 2 of NZ CS 2 in not providing the anticipated financial impacts of its physical and transition risks, which are detailed in the preceding tables. Downer has commenced quantitative analysis, and will be finalising this in FY26. Unless specifically noted, climate-related risks included in the table are applicable across all of Downer's sectors and geographies.

Climate-related risks and opportunities	Current year impacts	Anticipated impacts
Utility price volatility (transition risk)	Downer acknowledges there are potential costs borne by not transitioning to lower emissions fuels and renewable energy sources as quickly. However, Downer has quantified this impact and it has been assessed as not material for FY25 due to short-term volatility in electricity prices, and the offset of capital costs that would be required upfront.	<p>Electricity prices are expected to decrease from the medium term and into the long term, while the price for gas and liquid fuels is expected to increase. This is consistent across all scenarios assessed. However, the increase in gas and liquid fuels is magnified under the lower emissions scenarios. The Delayed Transition scenario projects an approximately 150% increase in gases and liquid fuels prices, with the Net Zero 2050 projecting increases of approximately 100% and 75% for liquid fuels and gases, respectively.</p> <p>Further, electricity consumption is projected to increase across all scenarios with gas and liquid fuel consumption anticipated to decrease steadily to 2050. Switching from petrol, diesel and gas to electricity where practical and feasible will help Downer reduce future utility costs.</p> <p>Carbon pricing has also been noted as a potential risk with an associated impact, noting there is currently no carbon price directly impacting Downer, nor is it reasonably expected that there will be one impacting Downer in the short term. There is the possibility of indirect impacts through Downer's exposure to bitumen purchases in its supply chain. If a carbon price is introduced that impacts Downer (which Downer currently considers to be unlikely in the short term), Downer's commercial models sometimes contain pass through mechanisms that transfer cost escalation risks to the customer, so the residual impact to Downer is likely to be immaterial.</p>

## Climate-related risks and opportunities

### Current year impacts

### Anticipated impacts

Transition to lower emissions technology  
(transition risk)

Downer acknowledges there are potential costs borne by not transitioning to lower emissions technologies as quickly. However, Downer has assessed this impact as not material for FY25 due to the lack of cost-effective, practical alternatives available.

Decarbonising asphalt plants and fleet operations may require substantial upfront capital investment. There is also high technology uncertainty, especially regarding viability and timing of availability and commerciality of adoption of technologies, such as switching to hydrogen or biofuels for use in Asphalt plants.

Warm mix asphalt (WMA) uses additives to lower binder viscosity, allowing production at typically 145°C (a reduction of approximately 30-40°C from current hot mix practices) and reducing fuel use and emissions by approximately 5-10%. Transitioning Downer's existing hot mix asphalt plants to WMA plants will require some plants to be retrofitted with foaming systems or additive systems to accommodate the new technology. It is expected that capital costs to implement these technologies will decrease over the medium term. It is noted, however, that the majority of Downer's asphalt plants are already equipped with foaming systems so any additional capital costs would be immaterial.

Fleet transition, in particular heavy vehicles is capital-intensive, supports lower cost over the useful life of the vehicle and vehicles are expected to become more cost effective as costs to manufacture decline. Actual impacts will vary especially for heavy vehicles in the long term as technology continues to evolve – and the overall impact will vary based on changing customer procurement requirements and ability to pass through costs of the marginal increase in vehicle cost to the customer.

Extreme rainfall and prolonged exposure to rain and severe weather  
(physical risk)

Tropical Cyclone Alfred resulted in delays in work, shortened programs and lost construction days for Downer's northern New South Wales and southern Queensland regions, particularly across the Transport segment. This translated into reduced revenue for the period, as well as additional costs for remediation and repair. Overall, this resulted in current year impacts of approximately \$5-15 million in aggregate.

Extreme weather events (such as heavy rainfall, storms, bushfires) are projected to increase across all climate scenarios and time horizons (2030, 2050, and 2070). The most affected regions where Downer has a large footprint of customers and projects include New Zealand's South Island, South Australia, Tasmania, Queensland, and the Northern Territory. These events present operational risks, including increased downtime, project delays, higher maintenance costs, and potential infrastructure damage.

Chronic impacts, including extreme heat are projected to increase, with extreme hot days expected to increase most in Northern Territory, while the highest temperature increase is projected in Tasmania – with an 8.1°C increase expected by 2070 in the highest temperature scenario. However given the geographical spread of Downer's operations, and mitigations in place, we anticipate the impact of these temperature increases can be mitigated and is not likely to be material.

## Climate-related risks and opportunities

### Current year impacts

### Anticipated impacts

Increased government and private spending on infrastructure

(Acute and chronic opportunity)

The East Coast of New Zealand has experienced severe weather events in the past few years, including flooding, and Cyclone Gabrielle. A key response to the impacts of these events was the establishment of the Transport Rebuild East Coast (TREC) alliance to provide rebuilding and recovery works to impacted areas. Downer is a partner in the TREC alliance and helped deliver services which contributed to the Group's revenue through the period.

Additionally, the Transport business provided additional services for cyclone recovery and related damage to the communities' networks as a result of Cyclone Gabrielle, Canterbury flooding, Auckland Anniversary Floods, the CONOC Flood event in Dunedin, and the Baw Baw Storms.

The Transport business also took part in Te Ara Tupua, a climate resilience and adaptation initiative in Wellington conducted in conjunction with Waka Kotahi and other contractors, designed to increase transport resilience between Wellington and Lower Hutt.

The revenues from the response to acute and chronic physical impacts this period amounted to approximately \$150 million for Downer.

Under a high emissions scenario, substantially increased demand is expected for climate resilient infrastructure and repairs, particularly within road transport and associated works, following extreme weather events, such as floods and bushfires. Some of the projected impacts for physical risks assessed include:

- Extreme rain can damage roads and rail lines through flooding, erosion and landslides, leading to requirements for repairs and potentially more resilient designs. The largest projected increase in extreme rain frequency is projected for South Australia, while the highest increase in intensity is for Southland region in New Zealand, in the long-term time horizon.
- Bushfires increase government spending through damage to infrastructure and the need for costly repairs. They also require investment in fire-resilient materials, designs, and protection measures. The highest projected increase in bushfire days are for the Northern Territory and northern Queensland and regions in New Zealand's North Island, in the medium and long-term time horizons.
- Extreme heat may soften asphalt, leading to cracking and melting, and increased maintenance and resurfacing requirements. The highest projected increase in extreme hot days is concentrated in the Northern Territory, progressively growing from 2030 to 2070. The highest projected temperature increase is for Tasmania, reaching a maximum temperature rise of 8.1°C in the long-term horizon.

Supporting customers decarbonisation and energy transition efforts

No material impacts were identified for FY25.

- Under a net-zero and low emissions scenario, investment in energy transition technologies and infrastructure such as transmission, renewables, battery storage and grid infrastructure is expected to accelerate peaking throughout the 2030s and then declining from the 2040s. This will enable Downer to support its customers in their decarbonisation journeys.

## Transition plan aspects of Downer's strategy

### Downer's business model and strategy

Downer delivers essential services to our customers in the Transport, Utilities and Facilities sectors across Australia and New Zealand. These services touch the lives of millions of people every day, and enable communities to thrive. The demand for our services is shaped by investment in the energy transition, defence capability, government services and infrastructure expansion necessary to support population growth, and local industry revitalisation. For further information about Downer's business model and strategy, refer to page 38.

### Transition aspects of Downer's strategy

Economy-wide decarbonisation and the energy transition, is a strategic focus area for the Group (see page 38). These trends are embedded across our business model and strategy, supporting emissions reduction in the context of ongoing population and urban growth. Energy transition tailwinds may create opportunities across multiple parts of our portfolio, including the delivery of renewable energy generation, storage and transmission infrastructure through our Energy & Utilities sector, as well as Road Science solutions, battery-electric and hybrid locomotives for our Transport sector. They may also drive growth in services that enable electrification of transport, increased grid capacity, and integration of distributed energy resources. In addition, the acceleration of digital infrastructure demand, underpinned by growth in data usage and artificial intelligence, is supported by our capability in resilient design, construction and maintenance of telecommunications networks.

Relating to Downer's own pathway, each of Downer's Business Units has developed decarbonisation plans with commitments in the short-term that will also impact the medium-term horizon, reflecting both the individual Business Unit's emissions profiles and Downer's Group emissions profile and leveraging deep knowledge of their own businesses and sectors. These Business Unit plans have been considered in the development of Group modelling of Downer's decarbonisation pathway.

Downer has started implementing mitigation and adaptation measures into its operations as it transitions to a low emissions, climate-resilient future. The anticipated measures that Downer plans to continue are detailed in the tables on pages 62-65. Outside of incorporating these measures into our strategy, Downer does not expect its business model or strategy to require any material changes in order to address its climate-related risks and opportunities.

The Investment Committee has thresholds which it utilises in its decision-making processes for funding approvals (including, but not limited to, proposals relating to the Decarbonisation Fund). This provides Downer the ability to align the transition plan aspects described above and in the table below with its internal deployment and funding decision-making processes.

The following strategies and illustrative examples have been considered over the respective horizons (timeframes align to those disclosed on page 61:

	Current Actions	Short term actions	Medium-long term actions
<b>Leveraging Opportunities</b>	<p>Fixed asset efficiencies - As an example, in FY25, Downer completed plant upgrades at its Shepparton, Invercargill and Lismore asphalt plants, improving the efficiency of asphalt production with updated technology.</p> <p>Fleet reduction/switch to alternative fuel vehicles – as at 30 June 2025, Downer's fleet consisted of 84 EVs, 820 hybrid vehicles, and 1 hydrogen vehicle. In FY25, there was an increased focus on vehicle rationalisation, particularly around cost and emissions savings.</p>	<p>Fixed asset efficiencies. Refer to the discussion within page 67 for further discussion on developments in this space. This transition plan aspect of Downer's strategy is integrated with the Group's capital deployment and funding mechanisms as described on page 74.</p> <p>Fleet reduction/switch to alternative fuel vehicles - Downer notes that vehicle efficiency standards are in place in New Zealand (Clean Car Standard) and Australia (New Vehicle Efficiency Standard) and expects that the emissions reductions mandated will flow through to Downer's fleet as emissions targets under these standards strengthen over time. Downer will continue to monitor these developments to inform procurement of alternate fuel vehicles factoring pricing and carbon considerations into the decision-making process.<sup>1</sup></p>	<p>Continue to monitor macro climate-related trends to pivot Downer's strategy towards tailwinds</p>

<sup>1</sup> Downer has maintained a progressive introduction of alternative fuel vehicles throughout FY25, irrespective of standards in place.



	Current Actions	Short term actions	Medium-long term actions
<b>Mitigating and addressing risks</b>	<p>Reduction in Scope 2 emissions - Downer procured renewable energy certificates of equivalent usage to a number of sites in New Zealand and Large Generation Certificates (LGCs) to reduce electricity-related emissions across its Australian portfolio. In FY25, the combination of these two initiatives delivered an estimated 7,479 tCO<sub>2</sub>-e in emissions savings.</p> <p>Fuel switching in plant and equipment - As an example of progress, in FY25, Downer utilised solar hybrid generators on the Wambo transmission line project in Queensland, as well as electric street sweepers on cleaning contracts.<sup>1</sup></p>	<p>Reduction in Scope 2 emissions – Downer anticipates that the electricity grid will continue to decarbonise over the course of the 2020s, particularly in Australia. A driver of this is the Federal Government's 82% renewable electricity target by 2030 (non-legislated), supported by market commitments in renewable generation and firming. Downer will aim to consider the costs and benefits of increasing electrification across its assets, as well as discretionary strategic procurement of renewable energy certificates and carbon displacing PPAs, supporting decarbonisation of the grid.</p> <p>Fuel switching in plant and equipment - Downer aims to implement alternative fuels and/or electrification in its plant and equipment.</p>	<p>Continue to monitor developments in asphalt plant technology to support the potential viability of alternative fuels, as well as the ability to develop ambient asphalt (subject to customer acceptance).</p> <p>Continue to monitor developments in light and heavy vehicles to support the procurement of alternative fuel vehicles at an economically efficient cost.</p> <p>Continue to review Downer's electricity procurement strategy to support increased renewables an economically efficient cost.</p>
<b>Climate initiatives</b>	<p>Decarbonisation and Energy Transition integrated in Downer's Corporate Strategy.</p> <p>Downer's Board oversight on climate-related disclosures, risk and opportunities, and ongoing upskilling of knowledge and capability.</p> <p>Emissions inventory of Scope 1, Scope 2 and Scope 3 GHG emissions developed, with Scope 1 and 2 emissions disclosed.</p> <p>External assurance of Scope 1 and 2 GHG emissions.</p>	<p>Refine Scope 3 emissions data methodology in preparation for disclosure.</p> <p>External assurance of Scope 1, Scope 2 and aiming for assurance of Scope 3 GHG emissions by December 2025.</p> <p>Board oversight over climate-related matters, with continued integration into Downer's financial statements.</p> <p>Progress reporting against Downer's near-term Scope 1 and 2 GHG emissions reduction target.</p> <p>Consider Downer's emissions targets annually to ensure calibration.</p> <p>Consider internal carbon price / renewable energy target.</p> <p>Develop full internal climate transition plan.</p>	<p>Support reporting compliance and strategic decision making.</p>

<sup>1</sup> Savings have been reflected in Downer's Scope 2 Market Based emissions. Renewable electricity instruments have not been used to deduct from Downer's Scope 2 Location Based emissions figures in accordance with criteria used to calculate Downer's Scope 2 emissions in FY25.

## Risk management

Downer's ongoing processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities occurs in accordance with our overarching risk management framework across our entire value chain. This framework encompasses a set of policies, processes and standards to transparently and consistently manage risks throughout the Group.

Downer performs the following activities to identify, assess and prioritise climate-related risks and opportunities:

**Business Unit risk and opportunity identification and assessment:** Climate-related risks (such as relevant physical and transition risks), are considered in the strategic Business Unit risk reviews, in accordance with thresholds defined within Downer's associated Risk and Opportunities Framework and classification matrices. The risk and opportunity identification process considers the nature, timing, and likelihood of the risk or opportunity as well as Downer's vulnerability and capability to respond.

Business Units meet every six months to review, re-prioritise and assess risks as specified within their strategic risk registers. Climate-related risks and opportunities were specifically prioritised as a part of the assessment and prioritisation work undertaken in FY25 with Deloitte's support. The climate-related risks and opportunities identified have been prioritised against Downer's other strategic risks through the work undertaken in FY25 through the use of Downer's Risk and Opportunities Framework and ratings criteria.

**Group level risk identification and assessment:** Downer has determined climate change to be, or potentially be, a material risk and has incorporated it in the Group Strategic Risk Register. A consolidated report is provided to the Audit and Risk Committee at least bi-annually, which includes outputs from the Group and Business Unit Strategic Risk Registers.

**Monitoring of lag indicators:** Downer monitors climate-related metrics. The metrics are an input to the risk management process, as a lag indicator of the outputs of Downer's strategy and its potential exposure to climate-related risk.

**Managing climate-related risks:** Processes for managing climate-related risks occur in accordance with Downer's overarching risk management framework. Some climate-related metrics and inputs are used to inform the Group's understanding of these risks in different contexts, aiding the management process. For the purposes of climate-related risk management, timeframes are consistent with those used for general strategic planning and management, which are:

Timeframe	Definition
Current	<12 months
Medium term	one-three years
Long term	three plus years

## Integrating climate risk management

In addition to the role of the Zero Harm Committee, as described on page 58, Downer's climate-related risks and opportunities are integrated into the Company's strategic risk process and assessed on a bi-annual basis, which is governed by the Audit and Risk Committee. They are also incorporated into Downer's broader corporate strategy, planning and risk management as evidenced in the Annual Report, pages 43 and 48. This includes:

- Project Governance Committee and Tender Contract Committee, which consider climate-related risks and opportunities when assessing a bid's overall risks and opportunities in line with Downer's risk appetite
- Meetings with the Internal Audit and Risk Function to uplift enterprise risks with more explicit consideration of climate-related risk
- Integration into the budget review process for initiatives requiring investment. Refer to Investment Committee on page 59
- Inclusion of questions relating to climate-related risks and opportunities in the Financial and Corporate Governance Self-Assessment questionnaire
- Consideration of climate-related impacts on insurance coverage for weather-related losses and business disruption.

## Metrics and targets

### Greenhouse gas emissions targets

Downer supports the science on climate change and is committed to taking action to decarbonise its operations to help play its part in reducing global temperature rise. Downer has set a near-term Scope 1 and 2 GHG emissions reduction target, utilising the SBTi's Corporate Near Term Target Setting Tool, and a net zero Scope 1 and 2 GHG emissions reduction target, utilising the SBTi's Corporate Net Zero Tool<sup>1</sup>.

Downer's near-term Scope 1 and 2 GHG emissions commitments are aligned with a 1.5°C pathway and support the transition to net zero emissions by 2050.

Downer's GHG emissions reduction targets are:

- 50% reduction by 2032 across absolute Scope 1 and 2 emissions against a FY20 baseline
- Net zero by 2050 across Scope 1 and 2 emissions against a FY20 baseline.

To achieve net zero, Downer aims to reduce its Scope 1 and 2 emissions by 90% from a FY20 baseline by 2032, with the residual 10% being covered by the purchase of neutralising/carbon removal offsets. We anticipate, based on our decarbonisation pathway modelling, that these may be purchased in the 2040s, subject to Downer reducing our emissions by 90% from a FY20 baseline. We intend that these will be certified carbon removal/neutralising offsets. However, this will be dependent on prevailing market conditions. It is noted that the market for carbon removal offsets is rapidly evolving. Downer will monitor the market as it aims to track towards its target.

Downer's emissions reduction targets are supported by our Business Units' three-year Decarbonisation Plans, and our Group-level decarbonisation pathway modelling. Downer's ability to achieve these targets is contingent on several material assumptions, including the rate at which technology and alternative fuels can be adopted in asphalt plants, supply chain availability and commercial feasibility of alternative fuel fleet (heavy and light vehicles), volatility in demand for Downer's products and services, customers' willingness and capacity to co-invest to support lower emissions solutions as well the Australian Government meeting its target of achieving 82% renewable electricity in the grid by 2030.

#### (i) Update on Scope 3 emissions performance and targets

Downer has utilised Adoption Provisions 4 and 5 of NZ CS 2 in not disclosing its Scope 3 GHG emissions or comparatives in FY25. Downer remains committed to measuring and managing its Scope 3 emissions, acknowledging that this was previously disclosed on a voluntary basis, through enhanced data quality, ongoing engagement with suppliers and methodology improvements in preparation for mandatory disclosure in future periods. Downer also remains committed to the broad objective of decarbonising its value chain with an overall ambition of supporting net zero, and working with our supply chain to collectively reduce emissions.

In future periods, Downer will continue to focus on improving our percentage of actual data collected through engagement with our suppliers, replacing the portion of spend-based estimates that currently make up our Scope 3 data, and enhancing our internal control and assurance framework over the completeness and accuracy of data, and we continue to invest in independent limited assurance reviews to support our uplift in maturity. We are particularly focused on sourcing actual data across our materials used in our products, such as asphalt. This will provide Downer with a better feedback loop to track improvements in emissions performance in its value chain. Downer is also committed to its supplier engagement program, and in addition to the data imperative, is seeking to play a positive role by supporting its supply chain with education and guidance.

As stated in Downer's 2024 Climate Statement, the near term Scope 3 target and Scope 3 component of Downer's net zero target were placed under review. Following this review, Downer has withdrawn its Scope 3 target. This decision was made in conjunction with the decision to utilise Adoption Provision 4 and the aforementioned data quality uncertainties. Additionally, during Downer's annual assessment of its previously stated Scope 3 target, the ability to meet this target was questioned and ultimately determined the target should be withdrawn. We will review this position on an annual basis.

<sup>1</sup> <https://sciencebasedtargets.org/resources/files/Net-Zero-tool.xlsx> As accessed 30 June 2025.

## Vulnerability to transition risks

As highlighted on pages 62-64, Downer's primary potential transition risk vulnerability is its usage of direct fossil fuels in key processes within road surfacing plants, as well as its fleet. Downer assessed that 23% of Downer's assets (FY24: 23%) may be exposed to transition risks<sup>1</sup>. However, it is unlikely that the exposure to these risks will materialise at once. Downer monitors and reviews its potential vulnerability and associated impact (as described in the Risk Management section, pages 72-73). Further, refer to pages 62-64 for descriptions of mitigations that are in place for transition risks.

## Vulnerability to physical risks

Downer qualitatively assessed that revenue from its road maintenance and paving business and utilities maintenance and construction works (approximately 36% of Downer's total revenue, FY24: 31%), may be exposed to physical risks. However, it is unlikely that the exposure to these risks will materialise at once, and the extent of vulnerability will depend on the nature and severity of the physical climate event or chronic change that occurs. These vulnerabilities are predominantly from the impact of acute weather events causing disruptions and rework.

Downer qualitatively assessed its asphalt manufacturing plants' vulnerability to physical risks this year, and the associated financial impact. This preliminary analysis showed that the asphalt plant locations themselves may not be significantly exposed to physical risks from a financial perspective (when taken as an aggregate portfolio). Downer is working to quantify the extent of the financial impacts, as qualitatively described on page 66, in line with the use of Adoption Provision 2 of NZ CS 2. This is intended to inform evolving asset management strategies and support the review of existing mitigations (as described on page 64).

## Opportunities

With reference to the climate-related opportunities described on page 74, Downer has disclosed the following financial data points<sup>2</sup>:

- \$3.0bn of total revenue (FY24: \$3.3bn) relates to works in energy and utilities. This was considered 100% aligned to Downer's climate-related opportunities, with key works relating to decarbonisation, energy transition, water, telco that either address mitigation or adaptation efforts.
- \$5.4bn of revenue within the Transport sector (FY24: \$6.2bn) was considered 100% aligned with the capture of climate-related opportunities, with key works relating to repair and rebuild works and support for lower carbon transport systems. Energy transition tailwinds supporting Road Science Innovations, and Battery Electric and Hybrid Locomotives continue to support this on an ongoing basis.
- A portion of revenue generated within the Facilities sector is linked to Downer's climate-related opportunities, particularly through work focused on decarbonising customers' facilities and assets. The proportion of this revenue is currently being assessed and will be quantified as data maturity improves over time.

## Capital deployment

In FY25, Downer proposed climate-related initiatives to the Investment Committee for consideration and approval. The initiatives proposed to the Investment Committee in FY25 included various climate adaptation and mitigation initiatives, as well as expansions to support the capture of climate-related opportunities.

Downer does not have capital deployment targets for key transition plan actions or targets. However the Investment Committee approved capital expenditure of \$27.9 million in FY25<sup>3</sup> for climate-related spend. This included the replacement of the roof at our Rail and Transit Systems Maryborough site as a result of damage from a severe weather event. The replacement is also linked to a future opportunity for installing solar and other infrastructure to further assist with the Business Unit's adaptation and mitigation. Additionally, the Committee approved capital expenditure to replace our Transport & Infrastructure's Lismore Asphalt plant to support increased works for flood recovery over the next three years. This will also support the Group's decarbonisation through enabling the delivery of asphalt with higher levels of recycled asphalt mixes.

Additionally, Business Units deployed funds for climate-related capital improvement and maintenance throughout FY25 where the expenditure or investment did not require the Investment Committee's approval, in accordance with the Group's specified thresholds. These include energy efficiency initiatives such as lighting upgrades, and fleet transition to hybrid and alternative fuel vehicles. Funds associated with these initiatives have not been specifically disclosed.

<sup>1</sup> Based on the net book value of assets associated with Downer's asphalt manufacturing and bitumen plants and its heavy and light vehicle fleet.

<sup>2</sup> These metrics are linked to climate-related opportunities noted on page 65. These are not necessarily associated with a climate-related event, or series of events that occurred through the period or in a previous period.

<sup>3</sup> This includes expenditure from the Decarbonisation Fund (which does not have a capital deployment target), and is not directly comparable with figures disclosed in FY24.

## Internal emissions price

In prior years, Downer has undertaken preliminary analysis to evaluate a range of carbon pricing mechanisms (e.g. shadow price, fixed fee) and assess their potential business impacts in anticipation of broader market adoption or future regulatory requirements.

No internal emissions price has been set in FY25. Carbon pricing assumptions have been incorporated as an input into Downer's climate scenario analysis and modelling conducted in FY25. However, these assumptions have not been used to inform operational or investment decision making in either FY25 or FY24.

## Remuneration

Downer has linked its greenhouse gas emissions reduction targets to Executive remuneration through the Short-Term Incentive (STI) plan to incentivise Business Units to decarbonise in line with Downer Group's overall ambition. To follow is a table summarising these requirements:

Element	FY25	FY24
Decarbonisation (Group) (10% of total STI scorecard)	Group's Scope 1 and 2 GHG emissions performance	Group's Scope 1 and 2 GHG emissions performance
Decarbonisation (Business Units) (10% of total STI Scorecard)	Achieve or exceed their FY24 absolute Scope 1 and 2 GHG emissions performance. In addition, achieve their designated absolute GHG emission reduction targets as per commitments made within Business Unit Climate Change and Decarbonisation Plans (developed in FY24 and updated in FY25).	Develop a 3 year Climate Change and Decarbonisation Plan, and achieve agreed upon absolute GHG emission reduction targets.

For more information on the decarbonisation element of the FY25 STI scheme, refer to page 83.

## Other industry-specific metrics

Downer has considered guidance from the International Sustainability Standards Board (ISSB) Standard 2 (S2), which proposed a list of industry-specific metrics from the SASB standards, aligned to the industry categories that are most relevant to Downer.<sup>1,2</sup> The below table outlines metrics deemed to be relevant from these sources, and includes a cross reference to other areas of the Sustainability Report or sustainability data pack.

Topic	Metric	Reference
Energy management	■ Energy consumed, percentage of renewable electricity	■ Downer Sustainability Report 2025 – Climate change and environment
■ Waste management	■ Amount of waste generated, amount of hazardous waste generated, amount of waste diverted	■ Downer sustainability data pack 2025 – Climate change and environment
■ Environmental impacts	■ Number of environmental fines	■ Downer Sustainability Report 2025 – Environmental fines prosecutions
■ Environmental impacts	■ Number of environmental prosecutions	■ Downer Sustainability Report 2025 – page 34

## Downer's energy and emissions performance

In FY25, Downer's total operational emissions Total Scope 1 and 2 (Market Based)<sup>3</sup> was 302,151 tCO<sub>2</sub>-e. This decreased by -6.8% from FY24. Downer considers that it is on track for its near-term 2032 emissions reduction target.

The primary drivers of this year-on-year improvement were the impacts of Downer's business structure contractions. This included the phasing out of key contracts within the Utilities segment, including transmission line works at Wambo, Anglo and Meandu. In addition, another reason was the wind down of works for Ausnet as part of Downer's transfer of

<sup>1</sup> Engineering and Construction services (<https://www.ifrs.org/content/dam/ifrs/project/climate-related-disclosures/industry/infrastructure/issb-exposure-draft-2022-2-b33-engineering-and-construction-services.pdf>).

<sup>2</sup> <https://www.ifrs.org/content/dam/ifrs/project/climate-related-disclosures/industry/extractives-and-minerals-processing/issb-exposure-draft-2022-2-b8-construction-materials.pdf>.

<sup>3</sup> Using a Market-based methodology.



Operations and Maintenance Services to Ausnet during the period. There was also a shift in Downer's works with Project EnergyConnect, which Downer continued to service, however emissions from this contract shifted from Downer's operational control, to non-operational control. Additionally, the Transport segment experienced lower asphalt production in FY25 compared to FY24, and this had a flow on impact to associated subcontractor utilisation.

Other drivers included the execution of planned decarbonisation initiatives, including:

Emissions reduction initiative type	Emissions abated, tCO <sub>2</sub> e	Examples
Renewable energy consumption increase	9,532	<ul style="list-style-type: none"> <li>Renewable energy certificates procurement in NZ,</li> <li>Large Generation Certificates (LGCs) procurement in Australia.</li> </ul>
Fleet removal and conversion	3,555	<ul style="list-style-type: none"> <li>ICE vehicle replacements with hybrid vehicles,</li> <li>Vehicle removal.</li> </ul>
Energy efficiency upgrade in production processes	1,351	<ul style="list-style-type: none"> <li>Asphalt plant upgrades &amp; energy efficiency improvements,</li> <li>Use of hybrid (Solar/Battery) generators instead of diesel generators.</li> </ul>
Energy efficiency upgrade in fixed assets	169	<ul style="list-style-type: none"> <li>LED lighting upgrade at Perth Convention and Exhibition Centre,</li> <li>Implementing the energy efficiency opportunities at NZ Bitumen plants.</li> </ul>

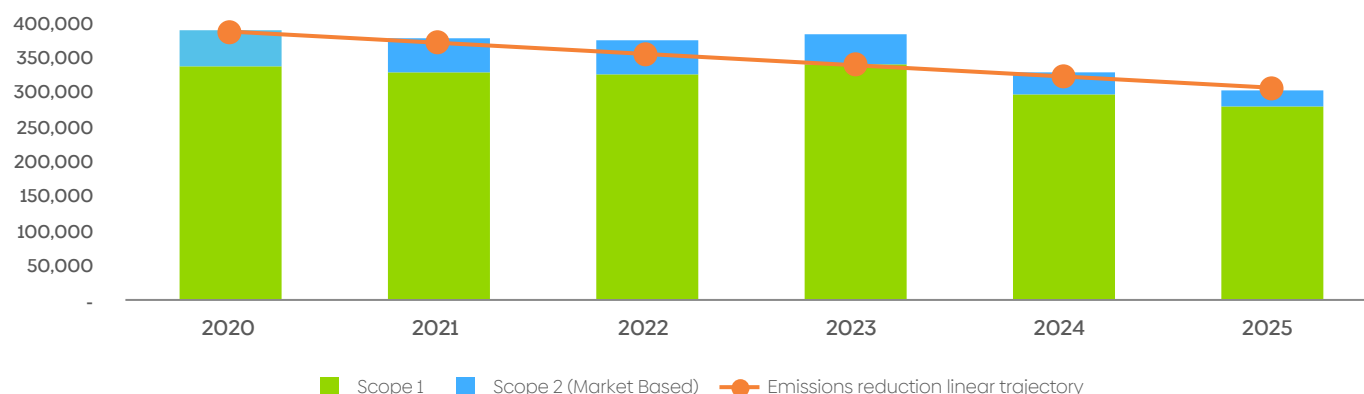
Subcontractor emissions is a source of uncertainty in Downer's Scope 1 emissions, primarily due to the volume of estimates derived from subcontractor confirmations and associated spend. For further details on the methodology for Downer's Scope 1 and 2 emissions, including subcontractor emissions, see the Climate Statement Basis of Preparation on pages 224-235.

The purchase of renewable energy certificates, through the form of large-scale generation certificates (LGCs) in Australia, and the procurement of renewable energy certificates for a number of sites in New Zealand also reduced Downer's emissions by 7,056 (FY24: 4,476) tCO<sub>2</sub>-e, when utilising the market-based emissions methodology for Scope 2 emissions.

## DOWNER GROUP TOTAL EMISSIONS

	2025	2024	% Change
<b>Metric</b>			
Scope 1 (tCO <sub>2</sub> -e)	278,407	296,532	(6)%
Scope 2 (tCO <sub>2</sub> -e) (location based)	30,800	35,140	(12)%
Scope 2 (tCO <sub>2</sub> -e) (market based)	23,744	30,664	(23)%
Total Scope 1 and 2 (location based) (tCO <sub>2</sub> -e)	309,207	331,672	(7)%
Total Scope 1 and 2 (market based) (tCO <sub>2</sub> -e)	302,151	327,196	(8)%
Scope 1 and 2 (location based) emissions intensity (tCO <sub>2</sub> -e/\$AUDmil)	27.61	27.71	— %
Scope 1 and 2 (market based) emissions intensity (tCO <sub>2</sub> -e/\$AUDmil)	26.98	27.34	(1)%

## Emission reduction performance Scope 1 and 2 – absolute emissions (tCO<sub>2</sub>-e)



Downer's Scope 1 and 2 emissions in FY25

8%

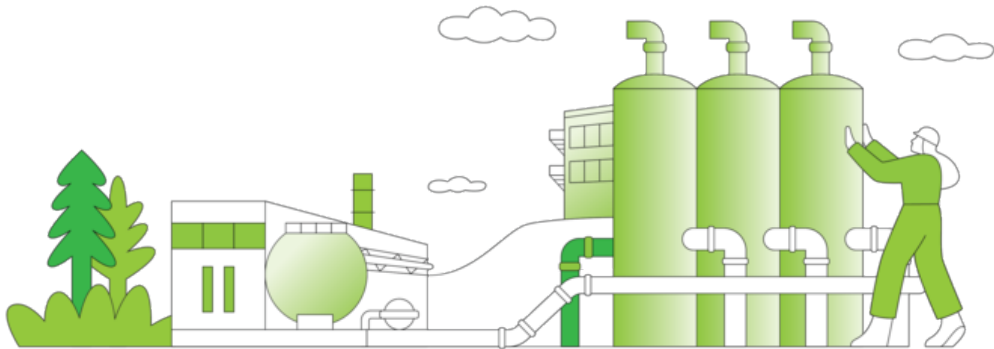
emissions from electricity

11%

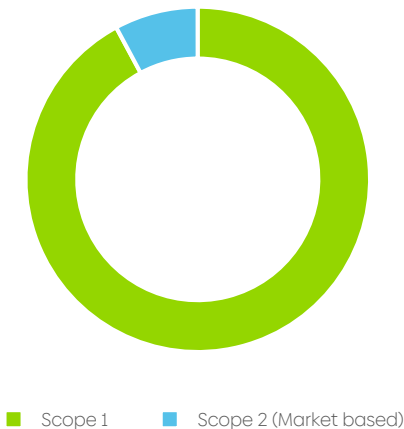
emissions from natural gas

81%

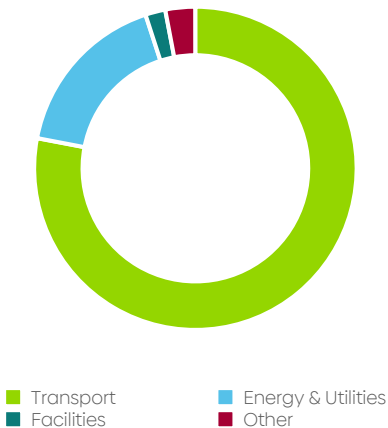
emissions from liquid fuels



Emissions by type (%)



Breakdown of Scope 1 and 2 emissions by sector (%)



Downer's emissions profile is primarily composed of Scope 1 emissions, which represent the vast majority of direct emissions from owned or controlled sources. Scope 2 emissions, which result from the generation of purchased electricity, steam, heating, and cooling consumed by Downer, make up a smaller portion.

The majority of Downer's Scope 1 and 2 emissions is derived from the Transport sector, and the use of liquid and gaseous fuels throughout its light and heavy vehicle fleet, as well as its asphalt, bitumen and concrete plants.

# Remuneration Report

## Letter from the Chair

Dear Fellow Shareholders,

On behalf of the Board, we are pleased to present Downer's 2025 Remuneration Report.

The 2025 financial year was a period of continued and steady progress for the organisation. Building on the foundations laid through the transformation activities which commenced in 2023, the business reset remains on track, delivering consistent year-on-year improvements and achievement of key targets.

At the last Annual General Meeting in November 2024, 97.48% of votes cast by shareholders were in favour of the 2024 Remuneration Report. The structure of the 2025 Remuneration Report has been prepared with the same objective of providing a transparent view of how performance has been linked to reward outcomes for the 2025 financial year.

### FY25 Performance: sustained delivery with transformation gains taking shape

#### Financial performance

Downer commenced the 2025 financial year with plans to deliver ongoing improvement in the areas of leadership, zero harm, culture, project performance, operational efficiency and portfolio simplification.

The financial year has seen solid progress against these plans and importantly, at the same time achieving year-on-year improvements across key financial and operational performance metrics:

- An increase in statutory NPAT to \$149.1 million, up from \$82.1 million in FY24.
- An increase in underlying NPATA to \$279.4 million, a 33.0% improvement on FY24 and at the top of the FY25 underlying NPATA guidance range of between \$265 million to \$280 million.
- Free cash flow increased 14.0% to \$323.9 million from \$284.1 million in FY24.
- Strong normalised cash conversion of 97.9%, exceeding our more than 90% target.
- Focus on margin improvement and quality of earnings apparent, achieving an underlying EBITA margin of 4.4%, exceeding the FY25 management target of at least 4.2%, and an improvement on 3.2% in FY24 and 2.6% in FY23.

- Exceeded the upsized \$200 million cost out program target with \$213 million gross annualised cost out achieved.
- Net Debt to EBITDA of 0.9x at June 2025 improved from 1.4x at June 2024.

The strategy of the business has been to prioritise quality earnings, supported by strengthened risk management frameworks, disciplined contracting practices, and the divestment of non-core business segments to achieve a simplified and more efficient portfolio. The successful execution of this strategy has been underpinned by the appointment of a high performing and motivated leadership team. While a significant refresh of the Group leadership team took place in FY24, further enhancements to leadership capability across the broader organisation continued in FY25. These initiatives have enhanced shareholder value by delivering the strong outcomes now being observed and driving measurable progress across key financial indicators.

#### Zero Harm

In FY25, Downer continued to enhance its Critical Risk Management Framework through the introduction of our Visible Leadership and Critical Control Improvement Program aimed at improving safety by incorporating frontline feedback and testing controls in real world conditions. Environmentally, Downer achieved zero significant incidents, reduced greenhouse gas emissions, and took proactive steps towards structural decarbonisation through fleet rationalisation, electrification, and asphalt plant efficiencies. Downer also released its second Climate Statement aligned with NZ Climate Standards, now included in the Annual Report (page 56), providing information on how Downer aims to integrate climate related risk and opportunity management into its strategy and operations. For further information please refer to Downer's 2025 Sustainability Report.

#### People & Culture

FY25 also marked the first year of implementing The Downer Difference, our new high performance culture, a key enabler of our enterprise-wide People Strategy. This three-year plan encompasses frameworks and initiatives focused on attracting key talent, developing employee capability, and enhancing employee experience and engagement. With FY25 being year 1 of the People Strategy, key initiatives were largely foundational including improvements to core

People systems and processes, enterprise-wide onboarding processes, performance management, leadership development, and remuneration frameworks. These enhancements have laid the groundwork for a more consistent and engaging employee experience, aimed at positively influencing organisational culture and contributing to improved financial performance and safety outcomes.

## FY25: Remuneration outcomes

### KMP remuneration

There were no changes to the remuneration for the MD & CEO during FY25.

The CFO received a remuneration uplift during FY25, which included a fixed remuneration increase to \$1,000,000 (previously \$900,000), and an increase of STI opportunity to 67.5% of fixed remuneration at target, and 90% at maximum (previously 56.25% at target and 75% at maximum in the FY24 year). This uplift aligned the CFO's remuneration more closely with relevant market benchmarks and acknowledged the contribution, leadership, and impact demonstrated since commencement.

### Short-term incentive (STI) outcomes

The FY25 STI outcomes reflect the strong performance of the organisation and are aligned with the underlying business results achieved during the year.

The overall structure of the FY25 STI plan remained largely consistent with the previous year, with targeted enhancements to better align with business priorities. These enhancements are detailed in Section 1.

The financial gate (NPATA of \$230.3 million) was achieved, which opened the Group STI scorecard. Additionally, as there were no fatalities or level 5 or 6 environmental incidents, all STI scorecard components were eligible for consideration.

Strong performance was delivered across all scorecard measures, resulting in an STI award of 97.45% of maximum to the Executive KMP. In accordance with the STI plan rules, 50% of the award will be deferred and will vest in equal tranches over two years.

The Board believes that the FY25 STI outcomes appropriately reflect the strong performance achieved during the year. The goals made at the start of the transformation journey in 2023 have been exceeded.

Further details on STI outcomes are provided in section 7.3.2.

## 2023 Long-term incentive (LTI) outcomes

The three year performance period of the FY23 LTI plan concluded on 30 June 2025, and the performance measures were tested. The plan consisted of three measures of equal weighting, consisting of relative TSR, EPS growth and a Balanced Scorecard.

- Relative TSR measured the TSR of Downer against a comparator group consisting of the ASX 100 excluding financial organisations. Actual performance of 37.7% ranked at the 59th percentile against the comparator group, resulting in 55.79% of awards under this measure becoming provisionally qualified for vesting.
- EPS CAGR over the performance period was 6.7%, resulting in 53.30% of awards under this measure becoming provisionally qualified for vesting.
- The Balanced Scorecard measure assessed sustained NPATA and FFO performance against budget (each measured independently). Average performance over the three year performance period was 88.7% for NPATA and 118.2% for FFO, resulting in 50.00% awards being provisionally qualified for vesting under this measure.

A total of 53.03% awards under the plan have provisionally qualified for vesting. The plan remains subject to a further one year continued employment condition and a Board approval condition, due to vest in August 2026.

The Board believes that these outcomes appropriately reflect performance of the organisation in the three-years to 30 June 2025, and are aligned with shareholder returns.

Further details on the LTI outcomes are provided in section 7.3.4.

### Assessment of Individually Significant Items (ISI)

Each year, in accordance with policy, the Board considers the impact of matters including acquisitions, impairments, divestments, and with FY25 being another year of business turn-around, the impact of the transformation program on financial outcomes.

In assessing each ISI, the overarching focus of the Board is appropriate accountability for delivery of budgets and business plans while not creating a barrier to tough transformation decisions that set the organisation up for longer-term value creation. With FY25 being another year of significant business reset and transformation, the Board has assessed a wide range of matters impacting NPATA and to a less extent FFO to reflect the underlying performance of management and the business.

The details of the matters which affected the FY25 statutory result which were adjusted by the Board based on the above principles are set out in sections 7.4.1, 7.4.2 and 7.4.3 of this report.

### Minimum Security holding Requirements

The organisation reviewed and refreshed its minimum security holding policy in FY25 and FY26 for the Executive KMP. The policy requirement has been developed to reinforce alignment with shareholder interests. Key terms under the refreshed policy include:

- In FY25, the scope of the policy was expanded to include the CFO, required to maintain a minimum holding of 50% of fixed remuneration.
- For FY26, the minimum security holding requirement for the MD & CEO has increased from 100% to 150% of fixed remuneration. The requirement for the CFO also increased from 50% of fixed remuneration to 75%.

Refer to section 6.5.2 for further details.

### Non-executive Director (NED) succession and remuneration

The following changes to the composition of the Board occurred during FY25:

- Peter Barker appointed as an Independent Non-executive Director, effective from 1 July 2024
- Nicole Hollows retired from the Board on 15 November 2024

After nine years of service, Teresa Handicott will retire as a Non-executive Director at the November 2025 Annual General Meeting.

As part of the Board's ongoing renewal process, the following Independent Non-executive Director appointments will occur during FY26:

- Kerry Gleeson, effective from 1 September 2025
- Annette Carey, effective from 1 November 2025.

Both Ms Gleeson and Ms Carey will stand for election at the Annual General meeting in November 2025.

The Board has been committed to implementing a rigorous talent identification and succession planning process, resulting in high performing Director appointments that are well positioned to drive the Company's continued success.

There were no changes to the NED fee pool or individual fee levels in FY25. The most recent adjustment to fees took effect on 1 July 2022. In line with the Board's policy to review NED fees every three years, an independent benchmarking of Director fees by Guerdon Associates was undertaken in Q4 FY25.

Benchmarking has been completed with the broader review of NED remuneration expected to be completed in Q1 FY26. The outcomes of this review will inform any potential future adjustments to individual fee levels or the overall fee pool.

Refer to section 11.1 for further details.

### Remuneration framework for FY26

The organisation is now well progressed through its multi-year transformation program, having made significant progress in strengthening long-term foundations and restoring shareholder confidence. FY25 represented a pivotal point, as it has provided a foundation for FY26 to transition from a transformation focused mindset to one centred on delivering sustainable, year-on-year performance.

A comprehensive review of the organisation's remuneration frameworks and remuneration levels was undertaken in FY25 to maintain remuneration structures that are fit for purpose, aligned with evolving business strategy, and shareholder interests. This review was overseen by the Board's People and Culture Committee and supported by independent external consultants; Ernst & Young was engaged to provide benchmarking insights on executive remuneration design, frameworks, and structure, whilst Guerdon Associates were engaged to benchmark remuneration quantum.

As an outcome of this process, targeted enhancements have been made to FY26 incentive plans. In developing these changes, the Board applied the following guiding principles:

- Each change is evidence based and clearly linked to driving the Company's evolving strategic priorities.
- The proposed enhancements generally align with market practice, strengthen accountability, and are intended to align with the interests of shareholders.

A summary of the key enhancements to the remuneration framework are detailed below, with further details contained in Section 1.

- Deferred STI awards will be issued as restricted rights at the start of the deferral period, creating greater alignment with shareholders and prevailing market practice. A dividend equivalent payment will apply from the start of the deferral period, to the time of vesting.
- A refreshed and simplified LTI plan, comprising of two equally weighted performance measures in EPS growth and relative TSR performance, with updated vesting scales creating greater alignment with market practice.



- While the overall structure of the FY26 STI incentive plan is largely retained (from FY25), specific measures have been enhanced. The FFO metric has been replaced with Operating Cash Flow to better reflect a focus on cash generated from operations, and the People measures will incorporate both an employee engagement score outcome and participation rate in the employee engagement survey.

The following increases will occur to the Executive KMP remuneration in FY26:

- MD & CEO: the fixed remuneration will increase by 8.1% to \$1,675,000 (3.0% annualised from commencement). The STI target will increase to 90% of fixed remuneration and maximum STI at 120% (previously 75% target and 100% maximum). LT opportunity remains unchanged at 130% of fixed remuneration.
- CFO: STI target will increase to 75% of fixed remuneration and maximum at 100% (from 67.5% at target and 90% at maximum in FY25). LTI target will increase to 100% (previously 90%). There are no changes to the CFO's fixed remuneration.

The Board considers these adjustments appropriate given the significant contributions both executives have made in turning around the business, as well as the need to retain and motivate high-performing leaders. These remuneration changes have been developed with reference to independent external market benchmarking outcomes.

## Summary

Financial Year 25 marked a pivotal period for the organisation, as the benefits of our organisational reset and transformation program became increasingly evident.

The Board believes that the FY25 remuneration outcomes and the FY26 remuneration changes outlined in this report enhance and realign remuneration structures to support the organisation's strategic reset. These adjustments, supported through a comprehensive review of remuneration frameworks and quantum, are designed to drive Company strategy, reflect prevailing market conditions, and effectively retain and motivate executives to continue delivering shareholder value.

The Board will continue to review and refine the existing remuneration framework to:

- Consider feedback and expectations of key stakeholders
- Continue to align with our strategy and drive for sustainable growth
- Reward performance that is aligned with the interests of shareholders.

We thank you for your support and welcome feedback from shareholders and other key stakeholders at our 2025 AGM.



**Mark Menhinnitt**  
Board Chair  
Committee Chair



**Adelle Howse**  
People and Culture

# Remuneration Report – Audited

The Remuneration Report provides information about the remuneration arrangements for key management personnel (KMP), for Downer Group, which is made up of the Non-executive Directors and the Group's most senior executives, for the year to 30 June 2025. The term 'executive' in this Report means KMPs who are not Non-executive Directors.

The Report covers the following matters:

1. Summary of changes to Remuneration Policy
2. Details of Key Management Personnel
3. Remuneration Policy, Principles and Practices
4. Relationship between Remuneration Policy and Company Performance
5. The Board's Role in Remuneration
6. Description of Executive Remuneration
7. Details of Executive Remuneration
8. Executive Equity Ownership
9. Key Terms of Employment Contracts
10. Related Party Information
11. Description of Non-executive Director Remuneration

## 1 Summary of changes to Remuneration Policy

Downer has continued to refine its remuneration framework during the period informed by Company strategy, competitive position and stakeholder feedback. Changes to policy are noted in the relevant sections of this Report and are summarised below.

### Policy Enhancements for FY25

#### FY25 Short-Term Incentive (STI) plan

The overall structure of the STI plan remained largely unchanged from the prior year, with targeted enhancements to allow for stronger alignment with the Company's strategic objectives. Key changes for the FY25 STI included:

- With the changes to the operating model completed, the one-off transformation measure (which had 20% scorecard weighting) implemented in the FY24 STI plan was removed. As a result the NPATA measure weighting increased from 25% to 35% and FFO measure weighting increased from 25% to 30%, as well as an increase to the safety component detailed below.
- An EBITA margin performance modifier to the NPATA/EBITA component was introduced to reflect the importance of quality earnings, which is an important driver of delivering value for shareholders.

The modifier (ranging from 1.0x to 1.33x) applied to the scorecard outcome for the NPATA component, subject to an EBITA margin achievement greater than 4.2%, to a maximum of 4.6%. The application of the EBITA margin modifier was balanced with the following qualifiers:

- The Financial gateway (threshold NPATA/EBITA) must still be achieved;
- An EBITA margin of 4.2% has to be reached before there is any modifier enhancement; and
- The maximum payment under the existing NPATA/EBITA scorecard component (35%) cannot be exceeded.
- Reflecting the importance of Zero Harm in the organisation:
  - The safety component weighting increased from 10% to 15%.
  - If the safety 'gate' (zero fatalities) was not passed, the entire Safety measure would be forfeited (previously 50% of the Safety component was forfeited).
  - The weighting for the Environment component of the scorecard was retained at 10%, however if the environment 'gate' (zero serious environmental incidents) was not passed, the entire Environment measure would be forfeited (previously 50% of the Environment component was forfeited).
- The People measure continued to be focused on employee engagement, with measures comprising of employee engagement survey participation and engagement action plans. As FY25 marked the first full year of implementing the Downer Difference, our high-performing culture program, it was critical to assess employee engagement with an enhanced survey tool tailored to Downer's business transformation objectives. Given past challenges in achieving strong participation rates in the engagement survey, this new measure was designed to prioritise survey participation as a foundation for creating a baseline for future employee engagement targets and developing strategies to accelerate implementation effectiveness of The Downer Difference.
- The Individual Performance Modifier (IPM) process has been adjusted to allow for a tolerance where justified, to reward for individual high performance. The average IPM across all participants is managed within a defined approved affordable allowance. This change reinforces the high performance culture and aligns to our performance management processes.

#### FY25 Long-Term Incentive (LTI) plan

The overall structure of the LTI plan continued with key design elements comprising of the following:

- The relative TSR measure (one-third weighting), measured against the ASX 100 excluding financial services companies. Absolute TSR performance is required to be positive for any vesting to occur under the relative TSR measure.
- The EPS growth measure (one-third weighting) where EPS CAGR growth between 5% (30% vesting) and 10% (100% vesting) is required.
- The balanced scorecard measure (one-third weighting), comprising performance against FFO and NPATA targets during the plan performance period. A minimum level of EBITA margin is required during the performance period for vesting to occur under the balanced scorecard measure.

## Executive KMP Remuneration Changes in FY25

There were no changes to the remuneration for the MD & CEO during FY25.

The CFO received a remuneration uplift during FY25, which included a fixed remuneration increase to \$1,000,000 (previously \$900,000), and an increase of STI opportunity to 67.5% of fixed remuneration at target, and 90% at maximum (previously 56.25% at target and 75% at maximum in the FY24 year). This uplift aligned the CFO's remuneration more closely with relevant market benchmarks and acknowledged the strategic contribution, cultural leadership, and organisational impact demonstrated since his commencement.

The scope of the minimum security holding policy was expanded to include the CFO, who was required to maintain a minimum holding of 50% of fixed remuneration.

## Policy Enhancements for FY26

A comprehensive review of the organisation's remuneration frameworks and remuneration levels was undertaken in FY25 to maintain remuneration structures that are fit for purpose, aligned with evolving business strategy, and shareholder interests. This review was overseen by the Board's People and Culture Committee and supported by independent external consultants; Ernst & Young was engaged to provide benchmarking insights on Executive remuneration design, frameworks, and structure, whilst Guerdon Associates was engaged to benchmark remuneration quantum.

As an outcome of this process, targeted enhancements have been made to FY26 incentive plans, detailed below.

### FY26 Short-Term Incentive (STI) plan

The overall gates, scorecard and weighting to the STI plan will be carried forward, with targeted enhancements focusing on alignment with market practice, Company strategy and shareholder interests. Key enhancements include:

- Consistent with the approach adopted by 84% of the ASX 100 (referencing a study conducted in January 2025) where the deferred portion of the STI is converted to restricted equity, deferred STI awards will now be issued as restricted rights at the start of the deferral period, creating greater alignment with shareholders (under the current approach, the deferred payments are awarded at the end of the respective deferral period). The deferred portion will remain at 50% of the total STI award for KMP, and will vest in two equal tranches, payable only upon vesting of the deferred award after 12 months and 24 months from the grant date. A dividend equivalent payment will apply from the start of the deferral period to the vesting date, for each respective tranche.
- People scorecard will continue to be based on employee engagement, with the 5% on engagement improvement initiatives retained and the remaining 5% measured using a combination of an employee engagement score and participation in the employee engagement survey.
- The Funds from Operations (FFO) measure will be replaced with Operating Cash Flow to focus on cash from operations, and retain its weighting of 30% in the STI scorecard. The NPATA / EBITA measure will also retain its 35% weighting in the scorecard.

### FY26 Long-Term Incentive (LTI) plan

The following enhancements will form part of the FY26 LTI plan structure:

- The Balanced Scorecard component will be removed as a performance measure under the LTI, with the remaining two measures of relative TSR and EPS, each comprising 50% of the scorecard. This change sharpens the focus of the LTI, aligns with market practice, and responds to stakeholder feedback in relation to the duplication of STI measures within the Balanced Scorecard measure. Profit and cash (which comprised the Balanced Scorecard) related measures are effectively captured within the Company's STI plan.
- Under Downer's current LTI plan, an EPS CAGR of 5% results in a 30% vesting outcome which is materially below the market norm, where a 5% EPS CAGR typically leads to 50% vesting.

To align the vesting framework more closely with market practice while maintaining an appropriate level of stretch, the EPS vesting scale for the FY26 LTI plan will be recalibrated. Under the revised scale:

- An EPS CAGR of 5% will deliver 44% vesting.
- An EPS CAGR of 5.45% will be required to achieve 50% vesting.
- The threshold target for EPS CAGR will be reduced to 4%, at which point 30% vesting will be delivered (nil vesting below 4%).
- Full vesting (100%) will be achieved at an EPS CAGR of 9%.

The adjustment maintains an appropriately demanding EPS performance scale aligned with shareholder value creation and the Company's strategy and risk appetite. The new target range was developed following detailed analysis which took into account broader economic indicators such as growth trajectory of the sectors that Downer operates in and GDP growth, while also recognising the Company's diversified client base, long-term contracts, and focus on essential services. Collectively, this contributes to a stable growth profile aligned with the Company's commitment to sustainable growth.

- Under Downer's current LTI plans, the vesting scale for the relative TSR measure provided for 30% vesting at 50th percentile TSR performance, which is materially below prevailing market practice. Accordingly, the vesting scale for the relative TSR component will be adjusted to 50% vesting at 50th percentile relative TSR performance, aligning with the typical scale used across the market for this measure. Full vesting (100%) is achieved at 75th percentile TSR performance, consistent with the prior year.

The relative TSR measure will retain the ASX 100 excluding financial services organisations comparator group and underpinned by a positive absolute TSR requirement for any vesting to occur.

Further detail on the FY26 LTI plan will be provided in the Notice of Annual General Meeting document.

### Executive KMP Remuneration Changes in FY26

The Board engaged an independent external remuneration consultant, Guerdon Associates to undertake a comprehensive benchmarking review of the remuneration quantum for all Executive KMP and members of the broader Executive Leadership Team.

A group of 16 organisations, primarily from the Industrials and Materials GICS sectors was selected to form the comparator peer group for this exercise. These companies were chosen based on alignment against Downer's financial metrics, operational profile, and competition for executive talent.

The benchmarking analysis provided insights across multiple remuneration components, including fixed remuneration, annual remuneration (inclusive of STI), and total remuneration (inclusive of STI and LTI). It also examined STI and LTI at a role specific level, as well as pay mix.

While benchmarking serves as a valuable reference point, the Board considers it as one input in determining appropriate remuneration levels. Final decisions reflect a balanced assessment of each Executive's experience and tenure, impact, demonstrated performance, and the importance of retaining key talent, aligned with long-term shareholder interests.

Following this comprehensive review, the following changes will occur to the executive KMP remuneration levels:

- MD & CEO: since commencement in February 2023, there has been no increase in the remuneration of the MD & CEO. During this period, the MD & CEO has demonstrated strong leadership, successfully steering the Company through a significant business turnaround.

The fixed remuneration of the MD & CEO will increase by 8.1% to \$1,675,000 (3.0% annualised from commencement). The STI target will increase to 90% of fixed remuneration and maximum STI at 120% (previously 75% target and 100% maximum). LTI opportunity remains unchanged at 130% of fixed remuneration. Following these changes, the MD & CEO's fixed remuneration percentile rank against the benchmarking peer group increases to the 54th percentile (29th percentile pre-adjustment), while total remuneration (at maximum) ranks at the 36th percentile (13th percentile pre-adjustment).

The minimum security holding requirement for the MD & CEO has increased from 100% to 150% of fixed remuneration.

- CFO: as detailed previously, the CFO received a salary adjustment in FY25, which included an increase to the Short-Term Incentive (STI) opportunity. Following a further review, including independent external benchmarking, the Board has approved an additional increase to the variable reward opportunity for FY26.

The STI target opportunity will increase to 75% (previously 67.5%) and maximum STI to 100% (previously 90%). LTI opportunity will increase to 100% of fixed remuneration.

Following these changes, the CFO's fixed remuneration remains at the 63rd percentile rank compared to the benchmarking peer group, while total remuneration (at maximum) ranks at the 59th percentile (40th percentile pre adjustment).

The minimum security holding requirement for the CFO has increased from 50% to 75% of fixed remuneration.

The Board believes the stepped adjustments to the CFO's remuneration package (FY26 and FY25) are appropriate, and the phased approach has allowed the Board to assess performance and deliverables while gradually aligning the CFO's remuneration with the external market, reflecting the value the CFO has delivered to the Company since commencement.



## 2 Details of Key Management Personnel

The following persons acted as Directors of the Company during or since the end of the most recent financial year:

Director	Role
M J Menhinnitt	Chair, Independent Non-executive
P J Tompkins	Managing Director and Chief Executive Officer
P A Barker	Independent Non-executive Director (commenced 1 July 2024)
S A Broadbent	Independent Non-executive Director
T G Handicott	Independent Non-executive Director
N M Hollows	Independent Non-executive Director (retired 15 November 2024)
A M Howse	Independent Non-executive Director
S J MacDonald	Independent Non-executive Director

### 2.1 Executive KMP

The named persons held their current executive position for the whole of the most recent financial year.

Executive	Role
P J Tompkins	Managing Director and Chief Executive Officer
M R Ashcroft	Chief Financial Officer

## 3 Remuneration Policy, Principles and Practices

### 3.1 Executive remuneration policy

Downer's FY25 executive remuneration policy and practices are summarised in the table below.

Policy	Practices aligned with policy
<b>Retain experienced, proven performers, and those considered to have high potential for succession</b>	<ul style="list-style-type: none"> <li>■ Provide remuneration that is internally fair</li> <li>■ Remuneration is competitive with the external market</li> <li>■ Defer a substantial part of pay contingent on continuing service and sustained performance.</li> </ul>
<b>Focus performance</b>	<ul style="list-style-type: none"> <li>■ Provide a substantial component of pay contingent on performance against targets</li> <li>■ Focus attention on the most important drivers of value by linking performance and reward</li> <li>■ Require profitability to reach a challenging level before any payments can be made</li> <li>■ Provide a LTI plan component that rewards consistent Scorecard performance over multiple years and over which executives have a clear line of sight.</li> </ul>
<b>Provide a Zero Harm environment</b>	<ul style="list-style-type: none"> <li>■ Incorporate measures that embody Zero Harm for Downer's employees, contractors, communities and the environment as a material component of reward.</li> </ul>
<b>Manage risk</b>	<ul style="list-style-type: none"> <li>■ Encourage sustainability by balancing incentives for achieving both short-term and longer-term results, and deferring equity-based reward vesting after performance has been initially tested</li> <li>■ Set stretch targets that finely balance returns with reasonable but not excessive risk taking and cap maximum incentive payments</li> <li>■ Do not provide excessive 'cliff' reward vesting that may encourage excessive risk taking as a performance threshold is approached</li> <li>■ Apply a balanced set of metrics in incentive plans to reduce risk and promote sound decision-making across short- and long-term time horizons.</li> <li>■ Stagger vesting of deferred short-term incentive payments to encourage retention and allow forfeiture of rewards that are the result of misconduct or material adjustments</li> <li>■ Retain full Board discretion to vary incentive payments, in response to unforeseen circumstances or outcomes misaligned with shareholder interests</li> <li>■ Restrict trading of vested equity rewards for compliance with the Company's Securities Trading Policy.</li> </ul>
<b>Align executive interests with those of shareholders</b>	<ul style="list-style-type: none"> <li>■ Provide that a significant proportion of pay is delivered as equity so part of executive reward is linked to shareholder value creation</li> <li>■ Provide a long-term incentive that is based on consistent Scorecard performance against challenging targets set each year that reflect sector volatility and prevailing economic conditions as well as relative TSR and earnings per share measures directly related to shareholder value</li> <li>■ Maintain a guideline minimum shareholding requirement for the MD &amp; CEO equal to 100% (150% in FY26) of fixed remuneration and 50% (75% in FY26) of fixed remuneration for the CFO</li> <li>■ Exclude the short-term impact of opportunistic acquisitions and divestments from performance assessment to encourage agility and responsiveness</li> <li>■ Encourage holding of shares after vesting via a trading restriction for all executives and payment of LTI components in shares</li> <li>■ Prohibit hedging of unvested equity and equity subject to a trading lock for alignment with shareholder outcomes.</li> </ul>
<b>Attract experienced, proven performers</b>	<ul style="list-style-type: none"> <li>■ Provide a total remuneration package designed to engage experienced executives and to support the long-term continuity of existing leadership.</li> </ul>

## 4 Relationship between Remuneration Policy and Company Performance

### 4.1 Company strategy and remuneration

Downer's refreshed business strategy (developed in 2023) is reflected in our operating model and continues to inform our strategic direction. This includes:

- A focus on driving a performance and risk management culture across the organisation
- A simplified operating model with efficient overheads and a continuous improvement approach to year-on-year cost reductions
- Implementation of The Downer Difference which prioritises Capability, Process and Technology enhancements to drive a higher level of satisfaction for staff and customers
- Managing risk and opportunities within an approved 'risk appetite' framework and enhancing the Company's capability to deliver more consistent project and contract margins through the application of The Downer Standard.

The Company's remuneration policy complements this strategy by:

- Financial and Portfolio measures that are appropriately balanced with non-financial measures that underpin Downer's purpose of Enabling Communities to Thrive – Safety, Sustainability and People
- Incorporating Company-wide performance requirements for earnings (NPATA), cash flow (Funds from Operations - FFO) and Quality of Earnings (EBITA margin percentage) in incentive scorecards
- Incorporating performance metrics that focus on cashflow to provide a strong emphasis on cash-backed profits and financial discipline
- Excluding the short-term impacts of opportunistic acquisitions and divestments on incentive outcomes to encourage flexibility, responsiveness and growth consistent with strategy
- Deferring 50% of STI awards to encourage sustainable performance and a longer-term focus
- Incorporating consistent financial performance in the LTIP Scorecard measure
- Encouraging engagement with, and the development and retention of, its people to help maintain a sustainable supply of talent.
- Maintaining a remuneration policy that is market competitive, fit for purpose, and aligned with shareholder interests through regular review and external benchmarking.

## 4.2 Remuneration linked to performance

The link to performance is provided by:

- Requiring a significant portion of executive remuneration to vary with short-term and long-term performance
- Applying a profitability gateway to be achieved before an STI reward is made
- Safety and environmental gateways to be achieved before calculating any reward for safety and sustainability components within the STI plan
- Applying challenging financial and non-financial measures to assess performance
- Focusing management on strategic business objectives that create shareholder value
- Delivering a significant proportion of payment in equity for alignment with shareholder interests.

Downer measures performance on the following key corporate measures:

- Earnings per share (EPS) growth
- Total shareholder return (TSR) relative to other ASX 100 companies (excluding ASX 'Financials' sector companies), including a requirement for TSR to be positive
- Group NPATA
- Divisional EBITA
- EBITA margin
- Cash flow (Funds from Operations)
- Engagement with Downer's people
- Zero Harm measures of safety and environmental sustainability.

Remuneration for all executives varies based on performance outcomes against these key measures.

The following graph shows the Company's performance compared to the median performance of the ASX 100 (excluding financials) over the three-year period to 30 June 2025. Relative TSR is a measure in Downer's LTI plan. Performance is reflected in TSR outcomes of the 2022 and 2023 LTI plans. Further detail of TSR outcomes under the LTI plan is contained in section 7.3.4.

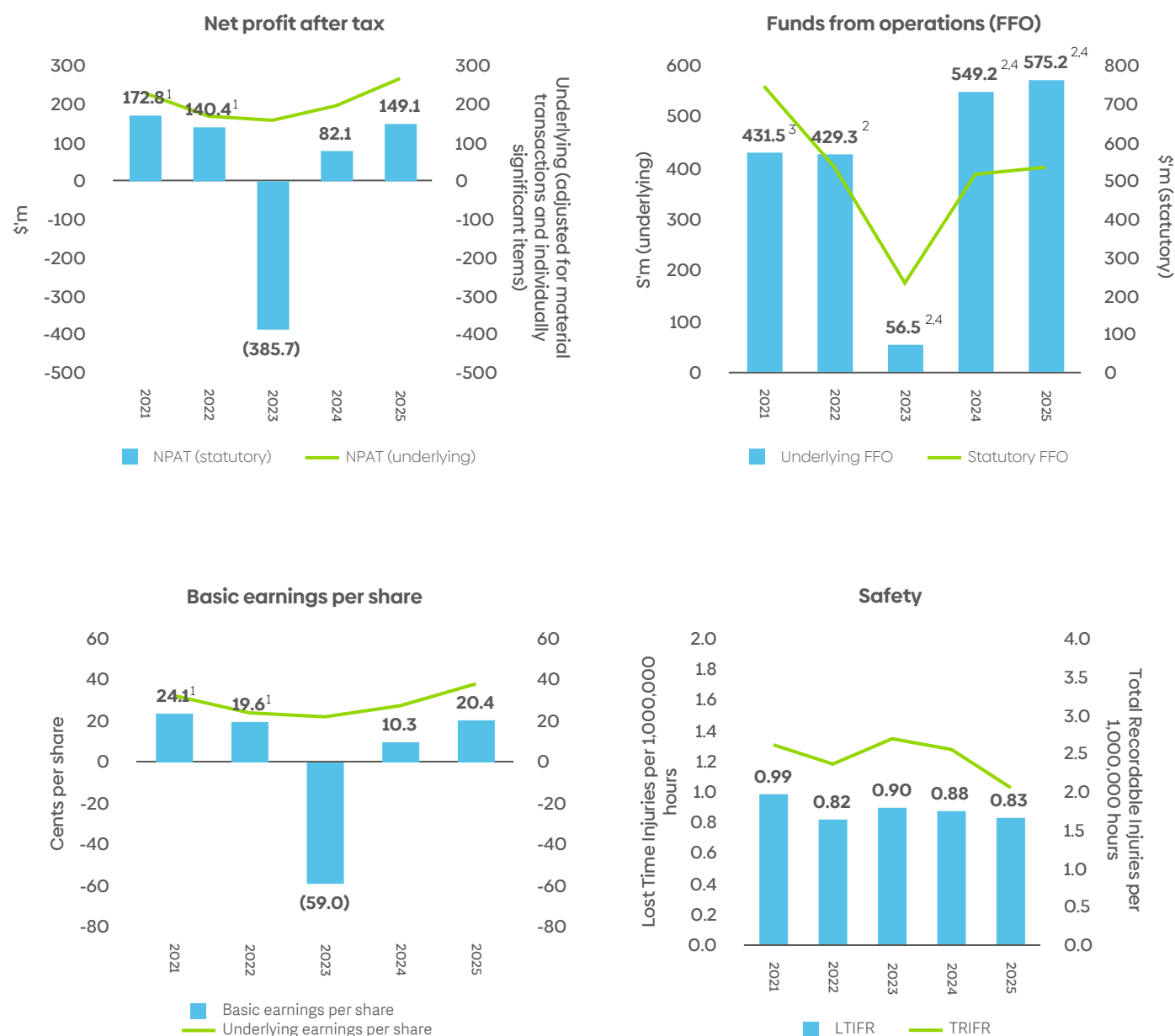
**Downer EDI TSR compared to S&P / ASX 100 median excluding Financial services sector**



\*S&P/ASX 100 companies excluding Financial services sector as at 1 July 2022.

The graphs below illustrate Downer's performance against key financial and non-financial performance indicators over the last five years.

In FY23, Downer identified certain accounting adjustments in its Australian Utilities business involving historical misreporting of revenue and contract assets in one of Downer's maintenance contracts as outlined in prior reports. As a consequence, the Group identified accounting adjustments to prior periods, including financial years 2020, 2021 and 2022 in relation to the measure of progress. The adjustments have been corrected by restating each of the affected financial statement line items for prior periods.



1. Restated for certain accounting adjustment in its Australian Utilities business.
2. Adjusted for material transactions. 2022: \$104.5 million net decrease, 2023: \$184.0 million net decrease related to the divestment of the Australian Transport Project Business, 2024: \$68.5 million net decrease, 2025: \$61.9 million net decrease.
3. Adjusted for material transactions, including the payment for Spotless shares. 2021: \$313.1 million net decrease.
4. Adjusted for cash impact of Individually Significant Items. 2023 \$56.5 million to take into account cash impact of Individually Significant Items. 2024 Funds from operations of \$549.2 million adjusted to add \$34.4 million of ISI cash flows, 2025 Funds from operations of \$575.2 million is Operating cash flow \$562.5 million less investing cash flow (\$29.1 million) adjusted to add \$41.8 million of ISI cash flows.

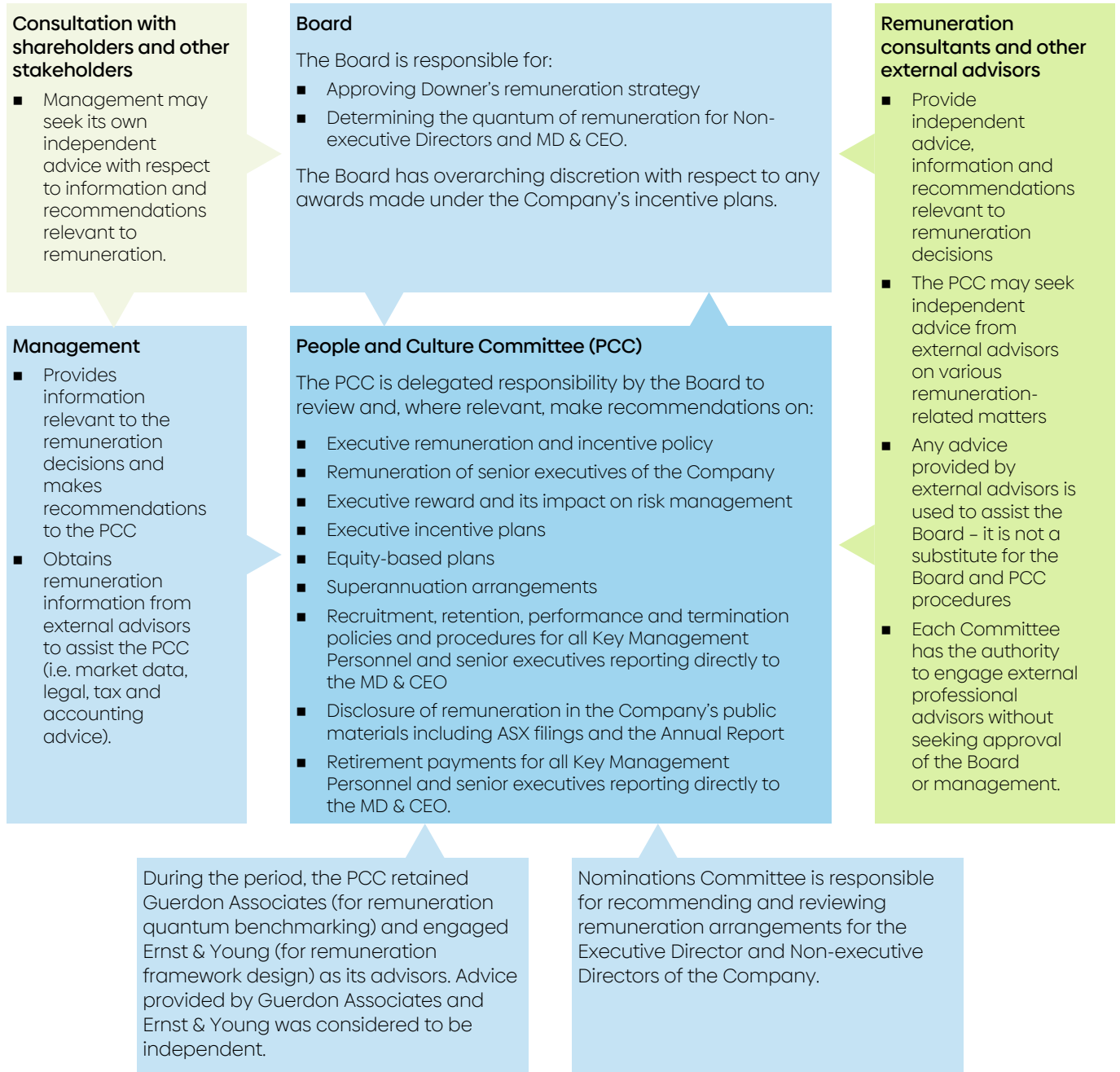


## 5. The Board's Role in Remuneration

The Board engages with shareholders, management and other stakeholders as required, to continuously refine and improve executive and Director remuneration policies and practices.

Two Board Committees deal with remuneration matters. They are the People and Culture Committee and the Nominations Committee.

The interaction with the Board, other committees, management, and other stakeholders is shown in the diagram below.



## 6. Description of Executive Remuneration

### 6.1 Executive remuneration structure

Executive remuneration has a fixed component and a variable component subject to performance outcomes.

Performance is assessed annually for performance periods covering one year and three years. Payment for performance assessed over one year is a Short Term Incentive (STI). Payment for performance over a three-year period is a Long Term Incentive (LTI).

In order for maximum STIs to be awarded, performance must achieve a stretch goal that is a clear margin above the planned business plan targets for the period. This enables the Company to attract and retain better performing executives, and is aimed at aligning pay outcomes with shareholder returns.

Target STIs are less than the maximum STI. Target STI is payable on achievement of planned objectives. For executives, the target STI is 75% of the maximum STI. The maximum total remuneration that can be earned by an executive is capped. The maximums are determined as a percentage of fixed remuneration, shown in the table below (calculated on a face value basis).

<b>FY25 Executive Position</b>	<b>Target STI % of fixed remuneration</b>	<b>Max STI % of fixed remuneration</b>	<b>Maximum LTI % of fixed remuneration</b>	<b>Maximum total performance-based pay as a % of fixed remuneration</b>
MD & CEO	75	100	130	230
CFO	67.5	90	75	165

The proportions of STI to LTI take into account:

- Market practice, and are reviewed as part of periodic market benchmarking
- The service period before executives can receive equity rewards
- The behaviours that the Board seeks to encourage through direct key performance indicators
- The guideline for the MD & CEO and CFO to maintain a shareholding as a multiple of pay after long-term incentive rewards have vested.

### 6.2 Remuneration benchmarking

Remuneration is benchmarked against roles of similar scope and complexity in relevant industries, using a variety of independent sources of market data. This market data is periodically updated and reviewed, typically every two years, or more frequently when significant remuneration related decisions are under consideration. This process supports the alignment of executive remuneration with market practices and helps maintain its competitiveness. The benchmarking approach is designed to consider the size and nature of Downer's businesses and will take into account markets for talent where appropriate for key roles, as well as individual factors, such as location, economic environment and remuneration trends. This enables Downer to remain competitive in setting remuneration for executives.

During FY25, Guerdon Associates were engaged to complete a remuneration quantum benchmarking exercise of the executive KMP and broader Executive Leadership Team. This exercise was used as an input (considering additional factors such as organisation and individual performance achieved) for KMP remuneration adjustments. Further information regarding FY25 and FY26 KMP remuneration adjustments is set out in the Chair's Letter and section 1 of the Remuneration Report.

While market levels of remuneration are monitored on a regular basis, there is no contractual requirement or expectation that any adjustments will be made.

### 6.3 Fixed remuneration

Fixed remuneration is the sum of salary and the direct cost of providing employee benefits, including superannuation, motor vehicles, car parking, living away from home expenses and fringe benefits tax.

The level of remuneration is set to be able to retain proven performers and when necessary to attract the most suitable external candidates from secure employment elsewhere.

## 6.4 Short-term Incentive

The STI plan provides for an annual payment that varies with annual performance. This has been applied to performance measured over the Company's financial year to 30 June 2025.

The basis of the plan is designed to align STI outcomes with financial results.

### 6.4.1 STI tabular summary

The following table outlines the major features of the FY25 STI plan.

<b>Purpose of STI plan</b>	<p>The STI plan provides a link between organisational performance and remuneration outcomes:</p> <ul style="list-style-type: none"> <li>■ Focus performance on drivers of shareholder value over a 12-month period</li> <li>■ Improve Zero Harm and people-related results</li> <li>■ That remuneration varies with the Company's 12-month performance</li> <li>■ Acts as retention mechanism for Executives through the deferral of a portion of awards earned.</li> </ul>
<b>Minimum performance 'gateways' before any payments can be made</b>	<ul style="list-style-type: none"> <li>■ Achievement of a gateway based on 90% of budgeted Group NPATA for corporate executives and Divisional EBITA for divisional heads</li> <li>■ This minimum is set at a challenging level to justify the payment of STI to an executive and deliver an acceptable return for the funds employed in running the business</li> <li>■ Positive and negative impacts from material but opportunistic transactions are excluded from gateway assessment. Whether to exclude the impact of significant items (positive or negative) is considered on a case by case basis</li> <li>■ Further independent gateways apply to the Zero Harm element, as detailed below: <ul style="list-style-type: none"> <li>■ Should a workplace fatality occur, 100% of the Safety component of the scorecard is foregone</li> <li>■ Should a serious environmental incident occur, 100% of the Environment element of the scorecard is foregone.</li> </ul> </li> </ul>
<b>Maximum STI that can be earned</b>	<ul style="list-style-type: none"> <li>■ MD &amp; CEO: up to 100% of fixed remuneration</li> <li>■ CFO: up to 90% of fixed remuneration.</li> </ul>
<b>Percentage of STI that can be earned on achieving target expectations</b>	<ul style="list-style-type: none"> <li>■ 75% of the maximum. For an executive to receive more, performance in excess of target expectations will be required.</li> </ul>
<b>Individual Performance Modifier (IPM)</b>	<ul style="list-style-type: none"> <li>■ An IPM may be applied based on an executive's individual key performance indicators and relative performance</li> <li>■ Moderate individual performance may result in an IPM of less than 1 or outstanding performance may result in an IPM greater than 1. The average IPM across all participants is managed within a defined approved affordable allowance.</li> <li>■ For KMP, application of an IPM cannot result in an award greater than the maximum STI% level set out in section 6.1.</li> </ul>
<b>Performance period</b>	<ul style="list-style-type: none"> <li>■ 1 July 2024 to 30 June 2025.</li> </ul>
<b>Performance assessed</b>	<ul style="list-style-type: none"> <li>■ August 2025.</li> </ul>
<b>STI Deferral</b>	<ul style="list-style-type: none"> <li>■ 50% of the award is deferred with the first tranche of 25% vesting one year following award and the second tranche of 25% vesting two years following award subject to the satisfaction of a continued employment condition. This requires the executive to remain employed at the time of payment.</li> </ul>
<b>Payment timing</b>	<ul style="list-style-type: none"> <li>■ September 2025 for the first cash payment of 50% of the award.</li> <li>■ The deferred components of the STI payments will be paid one and two years following the award, in equal tranches of 25% of the award.</li> </ul>
<b>Form of payment</b>	<ul style="list-style-type: none"> <li>■ Cash for initial payment.</li> <li>■ The value of the deferred components will be settled in shares or cash, net of personal tax.</li> <li>■ An eligible leaver's deferred components will be settled in shares or in cash at the sole and absolute discretion of the Board.</li> </ul>
<b>Dividend equivalent payments</b>	<ul style="list-style-type: none"> <li>■ No dividend entitlements are attached to the deferred components during the vesting period.</li> </ul>

<b>Board discretion</b>	<p>The Board may exercise discretion to:</p> <ul style="list-style-type: none"> <li>■ Vary STI payments by up to + or – 100% from the payment applicable to the level of performance achieved, up to the maximum for that executive</li> <li>■ Reduce partly or fully the value of the deferred components that are due to vest in certain circumstances, including where an executive has acted inappropriately or where the Board considers that the financial results against which the STI performance measures were tested were incorrect in a material respect or have been reversed or restated</li> <li>■ Settle deferred components in shares or cash, with the intended default approach being shares</li> <li>■ Vary from policy in exceptional circumstances. However, any variation from policy and the reasons for it will be disclosed.</li> </ul>
<b>Malus and clawback</b>	<p>All or part of the deferred components that are due to vest may be reduced in value if the Board determines that an executive has committed an act of fraud, defalcation or gross misconduct or in other circumstances at the discretion of the Board.</p>
<b>New recruits</b>	<p>New executives (either new starters or promoted employees) are eligible to participate in the STI in the year in which they commence in their position with a pro-rata entitlement.</p>
<b>Terminating executives</b>	<p>There is no STI entitlement where an executive's employment terminates prior to the end of the financial year. Where an executive's employment terminates prior to the vesting date, the unvested deferred components will be forfeited. However, the Board has retained discretion to vest deferred awards, in the form of shares or cash, in their ordinary course where the executive is judged to be an eligible leaver.</p>
<b>Performance requirements</b>	<p>Zero Harm, People and Portfolio and Performance measures.</p>
<b>ZeroHarm measures</b>	<p>Zero Harm reflects Downer's commitment to its customers, employees, regulators and the communities it serves.</p> <p>Performance is assessed on the following measures:</p> <p>Safety Lag Indicators</p> <ul style="list-style-type: none"> <li>■ Total Recordable Injury Frequency Rate (TRIFR): the number of recordable injuries per million hours calculated over 12 months</li> <li>■ Lost Time Injury Frequency Rate (LTIFR): the number of lost time injuries per million hours calculated over 12 months.</li> </ul> <p>Critical Risk Assurance and Action Management</p> <ul style="list-style-type: none"> <li>■ Achievement of critical risk observation targets, which includes meeting monthly targets for critical risk observations.</li> <li>■ Observations evidence frontline engagement and the identification and assessment of critical control effectiveness.</li> <li>■ Maintaining an active program of audits and inspections.</li> <li>■ Addressing actions arising from high potential incidents.</li> </ul> <p>Visible leadership and critical control improvement</p> <ul style="list-style-type: none"> <li>■ Design, implementation and delivery of an agreed critical control improvement program aimed at strengthening the effectiveness of the critical control framework and reducing the likelihood and impact of critical incidents.</li> </ul> <p>Decarbonisation</p> <ul style="list-style-type: none"> <li>■ Development of a three-year Climate Change and Decarbonisation Plan, to support GHG emissions reductions to achieve Downer's near-term GHG emissions targets for Scope 1 and 2.. A qualitative assessment of decarbonisation outcomes will be conducted, taking into account the actual results and contextual factors relevant to the performance year.</li> <li>■ Achievement of a set percentage of absolute Scope 1 and 2 GHG emissions targets.</li> </ul>

<b>People measures</b>	<p>Performance is assessed on two measures of employee engagement:</p> <ul style="list-style-type: none"> <li>■ Employee engagement survey participation rate: in FY25, the organisation launched a new Group-wide employee engagement survey. Achieving a defined participation rate was key to gathering meaningful insights and shaping targeted engagement strategies.</li> <li>■ Employee improvement action plans: design, implementation and delivery of engagement action plans, intended to improve employee engagement and The Downer Difference, our high performance culture.</li> </ul>
<b>Portfolio and Performance measures</b>	<p>Performance is assessed on Group NPATA or Divisional EBITA and FFO performance against the budget.</p> <p>NPATA and EBITA provide transparency on operational business performance, align with how Downer presents its results to the market and allow for easier understanding of alignment between performance and remuneration outcomes. The Board considers this approach to be appropriate as:</p> <ul style="list-style-type: none"> <li>■ The Board is the ultimate decision maker for transactions that give rise to acquired intangibles that result in the amortisation expense</li> <li>■ The impact of amortisation of acquired intangibles, which in nature relate to long-term strategic decisions, remains reflected in incentive outcomes through the EPS measure in the LTI plan.</li> </ul> <p>An EBITA margin performance modifier (ranging from 1.0x to 1.33x) to the NPATA/EBITA component was introduced to reflect the importance of quality earnings, which is an important driver of delivering value for shareholders. The modifier applied to the scorecard outcome for the NPATA component, subject to an EBITA margin achievement greater than 4.2%, to a maximum of 4.6%. The application of the EBITA margin modifier is balanced with the following qualifiers:</p> <ul style="list-style-type: none"> <li>■ The Financial gateway (threshold NPATA/EBITA) must still be achieved;</li> <li>■ EBITA margin of 4.2% has to be reached before there is any modifier enhancement; and</li> <li>■ The maximum payment under the existing NPATA/EBITA scorecard component (35%) cannot be exceeded.</li> </ul> <p>FFO is defined as net cash from operating activities less investing cash flow.</p>

<b>STI plan incentive calculation</b>	<div> <div>Fixed remuneration</div> <div>x</div> <div>Maximum STI opportunity</div> <div>x</div> <div>Scorecard result</div> <div>x</div> <div>Individual Performance Modifier</div> <div>=</div> <div>STI payment</div> </div>
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Weightings applied to the FY25 STI scorecard measures for all executives, including the MD & CEO, are set out in the table below.

<b>Executive</b>	<b>Group NPATA</b>	<b>Divisional EBITA</b>	<b>Funds from Operations</b>	<b>Zero Harm</b>	<b>People</b>
Corporate	35% <sup>1</sup>	–	30%	25%	10%
Business Unit	10.5% <sup>1</sup>	24.5% <sup>1</sup>	30% (9% Group, 21% Division)	25%	10%

1. Component is subject to an EBITA margin modifier as detailed above in section 6.4.1.

## 6.5. Long-term Incentive

### 6.5.1. LTI tabular summary

The following table outlines the major features of the FY25 LTI plan.

<b>Purpose of LTI plan</b>	<p>The LTI plan provides a link between long-term organisational performance and remuneration outcomes:</p> <ul style="list-style-type: none"> <li>■ Focus performance on drivers of shareholder value over a three-year period</li> <li>■ Manage risk by countering any tendency to over-emphasise short-term performance to the detriment of longer-term growth and sustainability</li> <li>■ Vary a part of remuneration with the Company's longer-term performance.</li> </ul>																				
<b>Maximum value of equity that can be granted</b>	<ul style="list-style-type: none"> <li>■ MD &amp; CEO: 130% of fixed remuneration</li> <li>■ CFO: 75% of fixed remuneration.</li> </ul>																				
<b>Performance period</b>	<ul style="list-style-type: none"> <li>■ 1 July 2024 to 30 June 2027</li> <li>■ Performance assessed August 2027.</li> </ul>																				
<b>Additional service period after performance period for shares to vest</b>	<ul style="list-style-type: none"> <li>■ Performance rights for which the relevant performance vesting condition is satisfied will not vest unless executives remain employed with the Group on 30 June 2028.</li> </ul>																				
<b>Performance rights vest</b>	<ul style="list-style-type: none"> <li>■ July 2028.</li> </ul>																				
<b>Form of award and payment</b>	<ul style="list-style-type: none"> <li>■ Performance rights.</li> </ul>																				
<b>Performance conditions</b>	<p>There are three performance conditions. Each applies to one-third of the performance rights granted to each executive.</p> <p><b>Relative TSR</b></p> <p>The relative TSR performance condition is based on the Company's TSR performance relative to the TSR of companies comprising the ASX 100 index, excluding financial services companies, at the start of the performance period on 1 July 2024, measured over the three years to 30 June 2027. In addition, the absolute TSR must be greater than 0 to be eligible for any vesting under the TSR condition.</p> <p>The performance vesting scale that will apply to the performance rights subject to the relative TSR test is shown in the table below:</p> <table> <tr> <th>Downer EDI Limited's TSR Ranking</th><th>Percentage of performance rights subject to TSR condition that qualify for vesting</th></tr> <tr> <td>&lt; 50th percentile</td><td>0%</td></tr> <tr> <td>50th percentile</td><td>30%</td></tr> <tr> <td>Above 50th and below 75th percentile</td><td>Pro-rata straight line vesting between 30% and 100%</td></tr> <tr> <td>75th percentile and above</td><td>100%</td></tr> </table> <p><b>EPS growth</b></p> <p>The EPS growth performance condition is based on the Company's compound annual EPS growth over the three years to 30 June 2027.</p> <p>The performance vesting scale that will apply to the performance rights subject to the EPS growth test is shown in the table below:</p> <table> <tr> <th>Downer EDI Limited's EPS compound annual growth</th><th>Percentage of performance rights subject to EPS condition that qualify for vesting</th></tr> <tr> <td>&lt;5%</td><td>0%</td></tr> <tr> <td>5%</td><td>30%</td></tr> <tr> <td>Above 5% to &lt;10%</td><td>Pro-rata straight line vesting between 30% and 100%</td></tr> <tr> <td>10% or more</td><td>100%</td></tr> </table>	Downer EDI Limited's TSR Ranking	Percentage of performance rights subject to TSR condition that qualify for vesting	< 50th percentile	0%	50th percentile	30%	Above 50th and below 75th percentile	Pro-rata straight line vesting between 30% and 100%	75th percentile and above	100%	Downer EDI Limited's EPS compound annual growth	Percentage of performance rights subject to EPS condition that qualify for vesting	<5%	0%	5%	30%	Above 5% to <10%	Pro-rata straight line vesting between 30% and 100%	10% or more	100%
Downer EDI Limited's TSR Ranking	Percentage of performance rights subject to TSR condition that qualify for vesting																				
< 50th percentile	0%																				
50th percentile	30%																				
Above 50th and below 75th percentile	Pro-rata straight line vesting between 30% and 100%																				
75th percentile and above	100%																				
Downer EDI Limited's EPS compound annual growth	Percentage of performance rights subject to EPS condition that qualify for vesting																				
<5%	0%																				
5%	30%																				
Above 5% to <10%	Pro-rata straight line vesting between 30% and 100%																				
10% or more	100%																				



Performance conditions continued	<p><b>Scorecard</b></p> <p>The Scorecard performance condition is based on the Group's NPATA and FFO for each of the three years to 30 June 2027. As these measures are considered to be key drivers of shareholder value, they have been included in the LTI plan to reward consistent and sustainable financial performance.</p> <p>The performance vesting scale that will apply to the performance rights subject to the Scorecard test is shown in the table below:</p> <table border="1"> <thead> <tr> <th>Scorecard result</th><th>Percentage of performance rights subject to Scorecard condition that qualify for vesting</th></tr> </thead> <tbody> <tr> <td>&lt; 90%</td><td>0%</td></tr> <tr> <td>90%</td><td>30%</td></tr> <tr> <td>Above 90% to 110%</td><td>Pro-rata straight line vesting between 30% and 100%</td></tr> <tr> <td>110% or more</td><td>100%</td></tr> </tbody> </table> <p>NPATA and FFO targets are set at the beginning of each of the three financial years. The performance of each component will be assessed each year relative to the targets. Performance of each component will be determined as the average of the annual performance assessments for the three years. The performance rights will vest on a pro-rata basis from 30% upon meeting the minimum three-year average component performance level of 90% of target to 100% at the capped maximum three-year average component performance level of 110% of target. In addition, the Scorecard condition is subject to achieving a minimum EBITA margin gate. The Margin Gate requires that Downer achieve:</p> <ul style="list-style-type: none"> <li>■ a minimum Group EBITA margin of 4.2% for 2025; and</li> <li>■ a minimum average Group EBITA margin of 4.5% across 2025 and 2026.</li> </ul> <p>The Scorecard condition is designed to:</p> <ul style="list-style-type: none"> <li>■ Strengthen retention through the setting of challenging targets on an annual basis that reflect prevailing market conditions, for a portion of LTI awards</li> <li>■ Focus on consistent measures aligned with the STI plan and to encourage a long-term approach to achieving annual financial performance targets</li> <li>■ Improve the line of sight for executives so as to increase motivation and focus on consistent performance</li> <li>■ Focus on performance sustainability through reward of consistent achievement of absolute performance targets over the long term.</li> </ul>	Scorecard result	Percentage of performance rights subject to Scorecard condition that qualify for vesting	< 90%	0%	90%	30%	Above 90% to 110%	Pro-rata straight line vesting between 30% and 100%	110% or more	100%
Scorecard result	Percentage of performance rights subject to Scorecard condition that qualify for vesting										
< 90%	0%										
90%	30%										
Above 90% to 110%	Pro-rata straight line vesting between 30% and 100%										
110% or more	100%										
Treatment of dividends and voting rights on performance rights	Performance rights do not have voting rights or accrue dividends.										
How performance rights and shares are acquired	<p>The rights are issued by the Company and held by the participant subject to the satisfaction of the vesting conditions. The number of rights held may be adjusted pro-rata, consistent with ASX adjustment factors, for any capital restructures.</p> <p>If the rights vest, executives can exercise them to receive shares that are normally acquired on-market. The Board retains the discretion to vest awards in the form of cash.</p>										
Restriction on hedging	Hedging of entitlements under the plan by executives is not permitted.										
Restriction on trading	After vesting, any shares will remain subject to a trading restriction that is governed by the Company's Securities Trading Policy.										
New participants	New participants (either new starters or promoted employees) are eligible to participate in the LTI in the first grant date applicable to all executives after they commence in their position. An additional pro-rata entitlement if their employment commenced after the grant date in the prior calendar year may be made on a discretionary basis.										
Ceasing executives	Where an executive ceases employment with the Group prior to the vesting date, the rights will be forfeited. However, the Board will retain the discretion to retain executives in the plan in certain circumstances including the death, total and permanent disability or retirement of an executive. In these circumstances, the Board will also retain the discretion to vest awards in the form of cash.										

<b>Change of control</b>	On the occurrence of a change of control event and providing at least 12 months of the grants' performance period have elapsed, unvested performance rights pro-rated with the elapsed service period are tested for vesting with performance against the relevant relative TSR, EPS growth or Scorecard requirements for that relevant period. Vesting will occur to the extent the performance conditions are met. Performance rights that have already been tested, have met performance requirements and are subject to the completion of the service condition, fully vest.
<b>Malus and clawback</b>	All unvested performance rights will be forfeited if the Board determines that an executive has committed an act of fraud, defalcation or gross misconduct or in other circumstances at the discretion of the Board.

### 6.5.2. Post-vesting securityholding policy

The organisation reviewed and refreshed its minimum security holding policy in FY25 and FY26 for the Executive KMP. The policy requirement has been developed to reinforce alignment with shareholder interests. Key terms under the refreshed policy include:

- In FY25, the scope of the policy was expanded to include the CFO, required to maintain a minimum holding of 50% of fixed remuneration.
- For FY26, the minimum security holding requirement for the MD & CEO has increased from 100% to 150% of fixed remuneration. The requirement for the CFO also increased from 50% of fixed remuneration to 75%.
- Until the minimum security holding is met, the MD & CEO and CFO are required to continue to hold:
  - 50% per cent of any deferred award granted under the Company STI scheme in the form of equity;
  - 100% per cent of any award granted under the Company LTI scheme. The Board can approve the disposal of a portion of these securities to cover tax liability.
- Once the MD & CEO and CFO have met their respective minimum security holding requirements, they must maintain the minimum security holding for as long as they remain in an Executive KMP role in the Company.
- Securities that count towards meeting the minimum security holding policy are securities in the Company that are:
  - Owned by the Individual, or their associated entities, each as defined in the Corporations Act 2001 (Cth);
  - Owned through a company, trust or in a superannuation fund or otherwise held for the benefit of a person or entity referred to above; or
  - Performance rights which are granted under the Company STI and LTI programs which are subject to a time-based hurdle only.

The Board retains the right to vary from policy in exceptional circumstances. However, any variation from policy and the reasons for it will be disclosed.

The MD & CEO's security holding is currently 185% of fixed remuneration of the policy level; the CFO currently does not hold securities in the organisation. The MD & CEO and CFO are due to receive an allocation of shares in the Company in September 2025 following vesting of their first deferred portion of the FY24 STI plan awards (detailed in section 7.3.3), which will contribute toward meeting their respective minimum security holding requirements. As detailed in section 1, under the FY26 STI plan design, deferred portions of the award will be awarded as restricted rights, which will count toward the security holding levels.

## 6.6 Treatment of major transactions

Downer has a long history of strategic mergers, acquisitions and divestments. On each occasion, the Board considers the impact of these transactions. Where a transaction is both material and unbudgeted, the Board considers whether it is appropriate to adjust for its impact on the key performance indicators on which executive performance is measured. The objective of any adjustment is that opportunities to add value through an opportunistic divestment or acquisition should not be fettered by consideration of the impact on incentive payments. That is, executives should be 'no better or worse off' as a result of the transaction. No adjustments are made for market reactions to a transaction as the Board believes that management is accountable for those outcomes.

The Board considers this approach to be appropriate so that:

- Executives and the Board consider these transactions solely based on the best interests of Downer
- Executives remain accountable for transaction execution and post-transaction performance from the next budget cycle
- Executives complete opportunistic transactions that are in the long-term interests of shareholders
- It is consistent with the Board's long-term view when considering the value of major transactions to Downer's shareholders
- Downer remains agile and responsive in managing its portfolio by pursuing opportunities as and when they emerge rather than being constrained by the annual budget process.

In assessing Zero Harm performance of executives, the results of acquired businesses are excluded for a period of 12 months post acquisition so management is accountable for the objectives set in the annual business planning process. While implementing the Downer's Zero Harm framework (including systems, process, definitions and measurement and reporting methods) is a key priority as part of any acquisition, it is recognised that there is a period, during which the focus is on the integration. Where this transition to Downer's framework takes place over a longer period due to the complexity of the implementation or the maturity profile of the acquired business, the Board will consider an extension to a more appropriate period.

## 6.7 Treatment of significant items

From time to time, Downer's performance is impacted by significant items, including importantly for FY25, the impact of decisions made in the transformation program that impact FY25 outcomes but set the organisation up for longer-term success and shareholder value. Where these occur, the Board considers whether to adjust for their impact (positive or negative) on a case by case basis, having regard to the circumstances relevant to each item.

The Board considers this approach to be appropriate so that executives are held accountable for the delivery of the annual budget and business plan and that executives and the Board make decisions solely based on the best interests of Downer. Decisions made in relation to business reorganisation and restructuring are assessed appropriately in a transformation period so that executives responsible for transformation programs are not penalised for making decisions in the longer-term best interests of the Company and shareholders.

## 7. Details of Executive Remuneration

### 7.1 Remuneration received in relation to the 2025 financial year (non-IFRS)

Executives receive a mix of remuneration during the year, comprising fixed remuneration, an STI paid in cash, deferred STI that is typically awarded as shares (or may be cash settled in certain instances), and an LTI in the form of performance rights that vest four years later, subject to meeting performance and continued employment conditions.

The table below lists the remuneration actually received in relation to the 2025 financial year, comprising fixed remuneration, cash STIs relating to 2025, deferred STIs payable in 2025 in respect of prior years and the value of LTI grants that vested during the 2025 financial year. This information differs to that provided in the statutory remuneration table at section 7.2 which shows the share-based payment accounting expense for LTIs and deferred STIs determined in accordance with accounting standards rather than the value of LTI grants and deferred STIs that vested during the year.

	Fixed Remuneration <sup>1</sup>	Cash Bonus paid or payable in respect of current year <sup>2</sup>	Deferred Bonus paid or payable in respect of prior years <sup>3</sup>	Other benefits <sup>4</sup>	Total payments	LTI that vested during 2025 <sup>5</sup>	Total remuneration received
	\$	\$	\$	\$	\$	\$	\$
P J Tompkins	1,550,000	755,238	209,328	59,849	2,574,415	117,596	2,692,011
M R Ashcroft	983,333	431,077	91,159	(3,673)	1,501,896	—	1,501,896
	<b>2,533,333</b>	<b>1,186,315</b>	<b>300,487</b>	<b>56,176</b>	<b>4,076,311</b>	<b>117,596</b>	<b>4,193,907</b>

- Fixed remuneration comprises salary and fees, payment of leave entitlements, non-monetary benefits and superannuation payments.
- Cash Bonus paid or payable in respect of current year represents cash payments in relation to the 2025 financial year. The fixed remuneration used to calculate the 2025 STI award for M R Ashcroft was calculated on a pro rata basis, using the salary at the commencement of FY25 and a fixed remuneration uplift effective from 1 September 2024.
- Deferred Bonus represents the deferred bonus amount to be paid in September 2025, being the first deferred component of the 2024 award. There was no deferred component payable for the 2023 awards as no STI award was paid to P J Tompkins.
- Other benefits represents the net leave (annual leave and long service leave) accrual movements from 1 July 2024 to 30 June 2025. For M R Ashcroft, the negative reported value denotes the closing leave balance at the end of FY25 being lower than the opening balance at the start of the year. A positive leave balance was retained through the year.
- Represents the value of performance rights granted in previous years that vested during the year, calculated as the number of performance rights that vested multiplied by the closing market price of Downer shares at \$4.83 on the vesting date 23 August 2024.

## 7.2 Remuneration of executive key management personnel required under the Corporations Act 2001 (Cth)

	Year	Short-term employee benefits			Long-term employee benefit	Post-employment benefits			Subtotal	Share-based payment transactions <sup>4</sup>	Total
		Salary and fees	Cash Bonus paid or payable in respect of current year <sup>1</sup>	Non-monetary <sup>2</sup>	Other long-term benefits <sup>3</sup>	Superannuation	Other benefits	Termination Benefits			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
P J Tompkins	2025	1,498,642	755,238	56,516	24,759	29,932	—	—	2,365,087	1,242,042	3,607,129
	2024	1,498,574	418,655	29,531	24,852	27,399	—	—	1,999,011	770,483	2,769,494
M R Ashcroft	2025	953,401	431,077	(7,270)	3,597	29,932	—	—	1,410,737	536,815	1,947,552
	2024	872,601	182,318	27,137	2,772	27,399	—	—	1,112,227	223,230	1,335,457
	<b>2025</b>	<b>2,452,043</b>	<b>1,186,315</b>	<b>49,246</b>	<b>28,356</b>	<b>59,864</b>	<b>—</b>	<b>—</b>	<b>3,775,824</b>	<b>1,778,857</b>	<b>5,554,681</b>
	2024	2,371,175	600,973	56,668	27,624	54,798	—	—	3,111,238	993,713	4,104,951

1. Cash Bonus paid or payable in respective year represents cash payments in relation to the respective financial year. These comprise the 50% cash component of the award. The fixed remuneration used to calculate the 2025 STI award for M R Ashcroft was calculated on a pro rata basis, using the salary at the commencement of FY25 and a fixed remuneration uplift effective from 1 September 2024.
2. This represents the net annual leave accrual movements from 1 July 2024 to 30 June 2025 and salary sacrifice items where applicable (novated lease and Downer2You donations, our Workplace Giving Program). For M R Ashcroft, the negative reported value denotes the closing leave balance at the end of FY25 being lower than the opening balance at the start of the year. A positive leave balance was retained through the year.
3. This includes the net movement in Long Service Leave provision over the reporting period.
4. This represents AASB 2 Share-based payments in 2025 relating to deferred shares of P J Tompkins of \$489,122 and M R Ashcroft of \$255,581 and performance rights and in 2024 relating to deferred shares of P J Tompkins of \$174,440 and M R Ashcroft of \$75,966 and performance rights. Performance rights represent the fair value of vested and unvested equity expensed during the period incentives and the probability of the incentives vesting, related to grants made to the executive, as outlined in section 8.2. Vesting of the majority of securities remains subject to significant performance and service conditions as outlined in section 6.5. The increase in expense in 2025 for P Tompkins reflects the higher 2025 plan valuation as outlined in note E3, as well as lower allocations of performance rights prior to the appointment as CEO of the Group. The higher 2025 expense for M Ashcroft reflects the second year of participation in the plan.

## 7.3. Performance related remuneration

### 7.3.1 Performance outcomes required under the Corporations Act 2001 (Cth)

The table below lists the proportions of remuneration paid during the year ended 30 June 2025 that are performance and non-performance related and the proportion of STIs that were earned during the year ended 30 June 2025 due to the achievement of the relevant performance targets.

	Proportion of 2025 remuneration		2025 Short-term incentive	
	Performance Related	Non- Performance Related	Paid	Forfeited
KMP executives	%	%	%	%
P J Tompkins	55	45	97	3
M R Ashcroft	50	50	97	3

### 7.3.2. FY25 Group STI Scorecard and Outcomes

Performance is assessed for each scorecard measure based on the actual outcomes compared to the performance levels defined below.

The scorecard measures are Downer's priorities and performance requirements are set at challenging levels to drive organisational performance and continued improvement of the business.

The minimum earnings performance gateway was achieved by KMP, meaning the STI scorecard opened for FY25.

The STI outcome achieved for each measure is set out in the table below.

Element	Measure	Description	Weighting %	Min Target	Max	Modified Outcome %
Safety	Achieve Defined Safety KPIs	Achieve TRIFR below 3.0	15			15.00
		Achieve LTIFR below 0.9				
		Critical Risk Assurance				
		Visible Leadership and Critical Control Improvement				
Sustainability	Decarbonisation	Group's Scope 1 and 2 GHG emissions performance	10			7.50
People	Employee engagement	Participation rate in the employee engagement survey	5			5.00
		Employee engagement improvement initiatives	5			4.95
Portfolio and Performance	Net Profit After Tax and before Amortisation of acquired intangibles	Achieve NPATA of \$230.3 million to \$307.1 million with a target of \$255.9 million	35			35.00
	EBITA margin modifier	Achieve an EBITA margin modifier between 4.2% to 4.6%	Applies to the NPATA measure		1.17	
	The NPATA outcome is 30.26 with the final result of 35 reflecting the application of the EBITA margin modifier					
	Funds from operations	Achieve FFO of \$195.0 million to \$260.0 million with a target of \$216.7 million	30			30.00

For 2025, the IPM applied to each member of the KMP remained at 1.



### 7.3.3 Deferred STI Outcomes

Under the terms of the plan, each year the Board considers whether deferred awards made in prior periods should be paid. The first deferred portion of the MD & CEO and CFO's FY24 STI award vested at the conclusion of FY25. The value of the deferred portions under the FY24 STI plan are detailed below:

	Total FY24 STI \$	Cash component paid in 2024 \$	1st Deferred portion (2025) \$	2nd Deferred portion (2026) \$
P J Tompkins	837,310	418,655	209,328	209,327
M R Ashcroft	364,635	182,318	91,159	91,158

In accordance with the terms of the plan, the Board has reviewed and approved the allocation of awards to the MD & CEO and CFO. The first deferred portion of the FY24 STI plan will be granted in the form of shares in September.

### 7.3.4 LTI performance outcomes

The table below summarises LTI performance measures tested and the outcomes for each executive.

Relevant executives <sup>1</sup>	Relevant LTI measure	Performance outcome	% LTI tranche that vested
P J Tompkins	2022 plan – performance period 1 July 2021 to 30 June 2024		
	TSR tranche – percentile ranking of Downer's TSR relative to the constituents of the ASX 100 over a three-year period.	Actual performance ranked at the 24th percentile based on a TSR result of -5.8%.	0% became provisionally qualified. 100% were forfeited.
	EPS tranche – compound annual earnings per share growth against absolute targets over a three-year period.	Actual performance was -6.0%.	0% became provisionally qualified. 100% were forfeited.
	Scorecard tranche – sustained NPATA and FFO performance against budget over a three-year period.	Actual performance was 75.9% for NPATA and 82.1% for FFO.	0% became provisionally qualified. 100% were forfeited.
P J Tompkins	2023 plan – performance period 1 July 2022 to 30 June 2025 <sup>2</sup>		
	TSR tranche – percentile ranking of Downer's TSR relative to the constituents of the ASX 100 over a three-year period.	Actual performance ranked at the 59th percentile based on a TSR result of 37.7%.	55.79% became provisionally qualified. 44.21% were forfeited.
	EPS tranche – compound annual earnings per share growth against absolute targets over a three-year period.	Actual performance was 6.7%.	53.30% became provisionally qualified. 46.70% were forfeited.
	Scorecard tranche – sustained NPATA and FFO performance against budget over a three-year period.	Actual performance was 88.7% for NPATA and 118.2% for FFO.	50.00% became provisionally qualified. 50.00% were forfeited.

1. Relevant executives refers to members of the KMP who are participants in the plan tested.

2. Test outcomes for the 2023 plan are provisional and will be confirmed following release of the Company's audited 2025 results.

## 7.4 Major transactions and significant items

During the year there were individually significant items that included major transactions and individual items that had a significant impact that are one-off or non-recurring in nature. The Board considers such items at the end of each performance period and whether it is appropriate to adjust for their impact on incentive outcomes. These items, identified as qualitatively non-underlying and/or one-off in nature including those that form part of the transformation, highlight the importance of striking the right balance to enable management to progress strategy implementation and transformation to set the business up for sustainable growth, despite short-term cost and capital implications.

### 7.4.1. Major transactions

During the year, transactions aligning with our portfolio simplification strategy included the divestment and exit costs for the remaining 29.9% interest in the Australian Laundries business (HT Hold Co Pty Ltd), the Cleaning Australia business, and Catering New Zealand business. The agreement to sell Downer's 49% interest in Keolis Downer was signed on 1 July 2025.

### 7.4.2. Significant items

During the year, there were several significant items categorised as follows:

Item	Description
Regulatory reviews and legal matters	Costs incurred in relation to significant regulatory and legal matters consistent with treatment in FY24.
Transformation and restructuring costs	Costs incurred in relation to the Group's transformation program including restructuring and redundancy costs associated with the new operating model, cost out programs, site rationalisation, external consulting costs and IT implementation costs.
Asset Impairments	Impairment charges, net of insurance recoveries that relate to a Rail site in the Transport segment, impairment charges related to sites that have been exited as part of site rationalisation programs, and impairment and accelerated amortisation of software projects terminated as a result of simplification programs and IT strategic reviews.

In assessing performance, the Board exercises its judgement in evaluating the quality of results including the nature of significant items and whether there should be any adjustments considered for remuneration purposes. See Note B3 of the Annual Report and the Investor Presentation for a reconciliation between statutory and underlying results.

### 7.4.3. Impacts from Individually Significant Items

With FY25 being a year of significant business reset and transformation, the Board examined a wide range of matters impacting NPATA and FFO to determine ISIs that reflect the underlying performance of management and the business. This approach aligns to the principle that the executives are 'no better or worse off' as a result of the transactions and significant items so that performance is measured against delivery of the Company's strategy and business plan.

The following table summarises the ISIs:

Measure	Adjustment
NPATA	<p>Exclusion of \$(170.0) million before tax (refer Note B3 for further details on Individually Significant Items) comprising:</p> <ul style="list-style-type: none"><li>■ \$(36.2) million net loss on divestments and exit costs.</li><li>■ \$(10.7) million regulatory reviews and legal matters.</li><li>■ \$(51.3) million transformation and restructuring costs, comprising: \$(18.0) million employee benefits expense; \$(32.8) million other expenses; and, \$(0.5) million restructuring costs of an equity accounted associate.</li><li>■ \$(71.8) million impairment and other asset write-downs, comprising: \$16.4 million other income, \$(53.0) million impairment charges; \$(21.8) million accelerated amortisation and \$(10.2) million of other expenses.</li></ul> <p>Exclusion of associated tax benefit of \$54.4 million.</p> <p>Total adjustment to NPATA of \$(115.6) million.</p>
FFO	<p>Exclusion of cash inflows and outflows before tax:</p> <ul style="list-style-type: none"><li>■ Net inflow \$56.2 million for divestment gains and exit costs</li><li>■ Outflow \$(17.0) million for regulatory reviews and legal matters</li><li>■ Outflow \$(54.7) million for transformation and restructuring costs.</li><li>■ Outflow of \$(26.3) million for assets impaired and written down.</li></ul> <p>Total adjustment to FFO of outflow \$(41.8) million.</p>
EPS	The use of NPAT adjusted as set out above.
TSR	No adjustments were made.

### 7.4.4. Future periods

For major transactions completed in 2025, the impact on operational performance is included in the FY26 budget and accordingly no adjustments are expected in respect of FY26 operational performance.

### 7.5. Variations from policy

There were no variations from policy in FY25.

## 8. Executive Equity Ownership

### 8.1 Ordinary shares

KMP equity holdings in fully paid ordinary shares and performance rights issued by Downer EDI Limited are as follows:

	Ordinary shares			Performance rights		
	Balance at 1 July 2024	Net change	Balance at 30 June 2025	Balance at 1 July 2024	Net change	Balance at 30 June 2025
	No.	No.	No.	No.	No.	No.
<b>2025</b>						
P J Tompkins	306,136	24,347	330,483	118,026	957,050	1,075,076
M R Ashcroft	–	–	–	–	292,718	292,718
<b>Total</b>	<b>306,136</b>	<b>24,347</b>	<b>330,483</b>	<b>118,026</b>	<b>1,249,768</b>	<b>1,367,794</b>

### 8.2 Performance rights

As outlined in section 6.5.1, the LTI plan for the 2025 financial year is in the form of performance rights. As detailed in the 2024 Remuneration Report, 2023 and 2024 LTI grants for Peter Tompkins were made in July 2024. Grants for the 2025 LTI were made in December 2024.

The following table shows the number of performance rights granted by Downer EDI Limited and percentage of performance rights that vested or were forfeited during the year for each grant that affects compensation in this or future reporting periods.

	2022 Plan			2023 Plan		
	Number of performance rights <sup>1</sup>	% vested	% forfeited	Number of performance rights <sup>2</sup>	% provisionally vested	% forfeited
<b>KMP executives</b>						
P J Tompkins	93,679	–	100.0	234,479	53.03	46.97
M R Ashcroft	–	–	–	–	–	–

1. Grant date 30 September 2022. Expiry date is 1 July 2025. The fair value of shares granted was \$3.85 per share for the EPS and Scorecard tranches and \$1.80 per share for the TSR tranche.

2. Grant date 4 July 2024 being FY25. Expiry date is 1 July 2026. The fair value of shares granted was \$4.30 per share for the EPS and Scorecard tranches and \$1.17 per share for the TSR tranche.

	2024 Plan			2025 Plan		
	Number of performance rights <sup>1</sup>	% vested	% forfeited	Number of performance rights <sup>2</sup>	% vested	% forfeited
<b>KMP executives</b>						
P J Tompkins	480,448	–	–	360,149	–	–
M R Ashcroft	160,944	–	–	131,774	–	–

1. Grant date 4 July 2024 being FY25. Expiry date is 1 July 2027. The fair value of shares granted was \$4.09 per share for the EPS and Scorecard tranches and \$2.80 per share for the TSR tranche.

2. Grant date 18 December 2024. Expiry date is 1 July 2028. The fair value of shares granted was \$4.60 per share for the EPS and Scorecard tranches and \$3.00 per share for the TSR tranche.

The maximum number of performance rights that may vest in future years that will be recognised as share-based payments in future years is set out in the table below:

**Maximum number of performance rights for the vesting year for current Executive**

<b>KMP executives</b>	<b>2026<sup>1</sup></b>	<b>2027</b>	<b>2028</b>
P J Tompkins	124,344	480,448	360,149
M R Ashcroft	–	160,944	131,774

1. Test outcomes for the 2023 LTI plan are provisional and will be confirmed following release of the Company's audited 2025 results.

The maximum expense for performance rights that may vest in future years that will be recognised as share-based payments in future years is set out in the table below. The amount reported is the value of share-based payments calculated in accordance with AASB 2 *Share-based Payment* over the vesting period. As detailed in section 8.2, the 2023 and 2024 grants were made on 4 July 2024.

<b>KMP executives</b>	<b>2026<sup>1</sup> \$</b>	<b>2027 \$</b>	<b>2028 \$</b>
P J Tompkins	915,417	805,761	366,151
M R Ashcroft	281,234	281,234	133,970

1. Test outcomes for the 2023 LTI plan are provisional and will be confirmed following release of the Company's audited 2025 results.

### 8.3 Remuneration consultants

Guerdon Associates and Ernst & Young were engaged by the Board's People and Culture Committee to provide remuneration advice in relation to KMP, but did not provide the Board's People and Culture Committee with remuneration recommendations as defined under Division 1, Part 1.2, 9B (1) of the Corporations Act 2001 (Cth). The Board was satisfied that advice received was free from any undue influence by KMP to whom the advice may relate.

## 9 Key Terms of Employment Contracts

### 9.1 Notice and termination payments

Executives are on contracts with no fixed end date.

The following table captures the notice periods applicable to termination of the employment of executives.

	Termination notice period by Downer	Termination notice period by employee	Termination payments payable under contract
MD & CEO	12 months	12 months	12 months
CFO	6 months	6 months	6 months

Downer can elect to either require executives to provide service during their notice period or make a payment in lieu.

Termination payments are calculated based upon total fixed remuneration at the date of termination. No payment is made for termination due to gross misconduct.



## 9.2 Managing Director and Chief Executive Officer of Downer's employment agreement

### 9.2.1. P J Tompkins

Mr Tompkins was appointed as the MD & CEO of Downer commencing on 27 February 2023. The following table sets out the key terms of the Managing Director's employment agreement and remuneration arrangements during FY25 and FY26.

<b>Term</b>	Until terminated by either party.
<b>Fixed remuneration</b>	<p>FY25: \$1.55 million per annum.</p> <p>FY26: \$1.675 million per annum</p> <p>Fixed remuneration includes superannuation and non-cash benefits.</p>
<b>STI opportunity</b>	<p>Mr Tompkins is eligible to receive an annual STI and the maximum STI opportunity is 100% of fixed remuneration (FY25). For FY26, Mr Tompkins maximum STI opportunity will increase to 120% of fixed remuneration, with target STI at 90%.</p> <p>Any entitlement to an STI is at the discretion of the Board, having regard to performance measures and targets developed in consultation with Mr Tompkins including Downers financial performance, safety, people, environmental and sustainability targets and adherence to risk management policies and practices. The Board also retains the right to vary the STI by + or - 100% (up to the 100% maximum) based on its assessment of performance. The STI deferral arrangements in place for KMP apply to Mr Tompkins.</p> <p>There is no STI entitlement where the MD &amp; CEO's employment terminates prior to the end of the financial year, other than in the event of a change in control or by mutual agreement.</p>
<b>LTI opportunity</b>	<p>Mr Tompkins is eligible to participate in the annual LTI plan and the value of the award is 130% of fixed remuneration.</p> <p>Mr Tompkins' performance requirements have been described in section 6.5.</p> <p>In the event of a change of control, providing at least 12 months of a grant's performance period have elapsed, unvested shares and performance rights pro-rated with the elapsed service period are tested for vesting with performance against the relevant hurdles for that period and vest, as appropriate. Shares that have already been tested, have met performance requirements, and are subject to the completion of the service condition, fully vest.</p>
<b>Termination</b>	<p>Mr Tompkins can resign:</p> <ol style="list-style-type: none"> <li>By providing 12 months' written notice; or</li> <li>By providing 30 days' written notice in circumstances where there is a fundamental change in his role or responsibilities. In these circumstances, Mr Tompkins is entitled to a payment in lieu of 12 months' notice.</li> </ol> <p>Downer can terminate Mr Tompkins' employment:</p> <ol style="list-style-type: none"> <li>Immediately for misconduct or other circumstances justifying summary dismissal; or</li> <li>By providing 12 months' written notice.</li> </ol> <p>When notice is required, Downer can make a payment in lieu of notice of all or part of any notice period (calculated based on Mr Tompkins' fixed annual remuneration).</p> <p>If Mr Tompkins resigns he will be subject to a 12-month post-employment restraint in certain areas where the Downer Group operates, where he is restricted from working for competitive businesses.</p>
<b>Other</b>	The agreement contains provisions regarding leave entitlements, duties, confidentiality, intellectual property, moral rights and other facilitative and ancillary clauses. It also contains provisions regarding corporate governance and a provision dealing with the <i>Corporations Act 2001</i> (Cth) limits on termination benefits to be made to Mr Tompkins.

## 10 Related Party Information

### 10.1 Transactions with other related parties

Transactions entered into during the year with Directors of Downer EDI Limited and the Group are within normal employee, customer or supplier relationships on terms and conditions no more favourable than dealings in the same circumstances on an arm's length basis and included:

- The receipt of dividends from Downer EDI Limited
- Participation in the Long-Term Incentive Plan
- Terms and conditions of employment
- Reimbursement of expenses.

A number of Directors of the Company hold directorships in other entities. Several of these entities transacted with the Group on terms and conditions no more favourable than those available on an arm's length basis.

## 11 Description of Non-executive Director Remuneration

### 11.1 Non-executive Director remuneration policy

Downer's Non-executive Director remuneration policy is to provide fair remuneration that is sufficient to attract and retain Directors with the experience, knowledge, skills and judgement to steward the Company.

Fees for Non-executive Directors are fixed and are not linked to the financial performance of the Company. The Board believes this is necessary for Non-executive Directors to maintain their independence.

Non-executive Directors are not entitled to retirement benefits. Shareholders last approved an annual aggregate cap of \$2.4 million for Non-executive Director fees at the 2022 AGM. The allocation of fees to Non-executive Directors within this cap has been determined after consideration of a number of factors, including the time commitment of Directors, the size and scale of the Company's operations, the skill sets of Board members, the quantum of fees paid to Non-executive Directors of comparable companies and participation in Board Committee work.

The basis of fees and the fee pool are reviewed when new Directors are appointed to the Board, when the structure of the Board changes, or at least every three years. Reference is made to individual Non-executive Director fee levels and workload (i.e. number of meetings and the number of Directors) at comparably sized companies from all industries other than the financial services sector, and the fee pools at these companies. In addition, an assessment is made on the extent of flexibility provided by the fee pool to recruit any additional Directors for planned succession after allocation of fees to existing Directors.

There have been no base or committee fee increases during FY25. The total fees paid in FY25 was \$1.7 million (FY24: \$1.6 million).

The Board Chair receives a fee of \$454,000 per annum (inclusive of all Committee fees). The other Non-executive Directors each receive a base fee of \$180,000 per annum.

Additional fees are paid for Committee duties:

- \$43,500 for the Chair of the Audit and Risk Committee; and \$35,000 for the Chair of each of the People and Culture Committee, Project Governance Committee and Zero Harm Committee
- \$20,000 for members of the Audit and Risk Committee; and \$17,500 for the members of each of the People and Culture Committee, Project Governance Committee and Zero Harm Committee
- No fees are payable for the Nominations Committee.

There were no increases to Committee fees during FY25. Director fees were last reviewed in July 2022. In accordance with the Board's policy to review Non-executive Director fees every three years, a formal review was commenced in FY25.

As part of this review, the Board engaged Guerdon Associates to independently benchmark NED fees and the aggregate fee pool. The review applied the same methodology used in the 2022 assessment, and referenced a bespoke peer group of 15 organisations with comparable financial and operational characteristics to Downer.

The broader review of NED remuneration remains ongoing and is expected to conclude in Q1 FY26. The outcomes of this review will inform any potential future adjustments to individual fee levels or the overall fee pool.

### 11.2 Non-executive Director minimum security holding policy

The Board introduced a minimum security holding policy for Non-executive Directors effective from 1 July 2023.

Under the policy, the Chair and each Non-executive Director are required to establish and maintain a minimum security holding equal to or greater than 100% of their annual base fee as at the date of their appointment as a Director. The value of the Non-executive Director's security holding is the higher of the acquisition cost or market value. The requirement is to be met within four years after the latter of the date of their appointment or the commencement of the Policy.

The guideline requirement has been developed to reinforce alignment with shareholder interests. The Board retains the right to vary from policy in exceptional circumstances.

### 11.3 Non-executive Directors' remuneration

The table below sets out the remuneration paid to Non-executive Directors for the 2025 and 2024 financial years.

	Year	Short-term employee benefits			Post-employment benefits		Total
		Board Fee	Committee Fee	Total Fees	Super-annuation	Termination Benefits	
		\$	\$	\$	\$	\$	\$
M J Menhinnitt	2025	424,068	–	424,068	29,932	–	454,000
	2024	426,601	–	426,601	27,399	–	454,000
P A Barker <sup>1</sup>	2025	161,435	58,147	219,582	25,252	–	244,834
	2024	–	–	–	–	–	–
S A Broadbent	2025	174,659	67,923	242,582	7,418	–	250,000
	2024	131,151	48,170	179,321	5,263	–	184,584
T G Handicott	2025	161,435	33,632	195,067	22,433	–	217,500
	2024	162,162	33,784	195,946	21,554	–	217,500
N M Hollows <sup>1,2</sup>	2025	60,858	25,621	86,479	9,945	–	96,424
	2024	162,162	70,721	232,883	25,617	–	258,500
A M Howse	2025	161,435	49,327	210,762	24,238	–	235,000
	2024	162,162	49,550	211,712	23,288	–	235,000
S J MacDonald	2025	161,435	62,407	223,842	25,742	–	249,584
	2024	135,135	36,787	171,922	18,911	–	190,833
P L Watson <sup>3</sup>	2025	–	–	–	–	–	–
	2024	40,541	16,329	56,870	6,256	–	63,126

1. Amounts represent the payments relating to the period during which the individual was a Non-executive Director.

2. N M Hollows ceased to be a Non-executive Director on 15 November 2024.

3. P L Watson ceased to be a Non-executive Director on 20 September 2023.

## 11.4 Equity held by Non-executive Directors

The table below sets out the equity in Downer held by Non-executive Directors for the 2025 financial year.

	Holding (No of Securities)			Minimum Shareholding Requirement	
	Balance at 1 July 2024	Net change	Balance at 30 June 2025	MSHR Status <sup>1</sup>	MSHR Assessment date <sup>2</sup>
	No.	No.	No.		
M J Menhinnitt	92,748	-	92,748	Met	Jul 2027
P A Barker	-	10,500	10,500	Progressing	Jul 2028
S A Broadbent	590	7,000	7,590	Progressing	Oct 2027
T G Handicott	31,000	-	31,000	Met	Jul 2027
N M Hollows <sup>3</sup>	50,538	-	50,538	n/a	n/a
A M Howse	15,000	17,885	32,885	Met	Jul 2027
S J MacDonald	11,848	18,004	29,852	Met	Sep 2027

1. The MSR is assessed by the higher of the acquisition cost or the current market value (derived by multiplying the number of holdings at the end of the period by Downer's 30 June 2025 closing price of \$6.31).
2. The MSR for Non-Executive Directors is equal to 100% of base fees (excluding superannuation) and is first assessed four years from the date of appointment or the date of policy commencement, whichever is later.
3. Balance as at 30 June 2025 for N M Hollows represents the number of shares held as at retirement date.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001* (Cth). On behalf of the Directors.



**Mark Menhinnitt**  
Chair

Sydney, 21 August 2025

# Auditor's Independence Declaration

for the year ended 30 June 2025



## Auditor's Independence Declaration

As lead auditor for the audit of Downer EDI Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Downer EDI Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Reilly'.

Jane Reilly  
Partner  
PricewaterhouseCoopers

Sydney  
21 August 2025

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# Independent Auditor's Report

for the year ended 30 June 2025



## Independent auditor's report

To the members of Downer EDI Limited

### Report on the audit of the financial report

---

#### Our opinion

In our opinion:

The accompanying financial report of Downer EDI Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2025
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

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

### **Independence**

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

---

### **Our audit approach**

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

### **Audit Scope**

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor, or component auditors from other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial report as a whole.



## 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. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
<p><b>Recognition of revenue and related contract assets</b></p> <p>Refer to note B2 Revenue, and note C2 Trade receivables and contract assets.</p> <p>As described in Note B2 to the consolidated financial statements, the Group recognises revenue from rendering of services and construction contracts amongst others across the Group. For construction contracts and some rendering of services, the Group recognises revenue using the measure of progress that best reflects the Group's performance in satisfying the performance obligation over time.</p> <p>There are certain key estimates that drive the measurement of the Group's revenue and resulting contract assets and their recognition in the consolidated financial statements. These key estimates include:</p> <ul style="list-style-type: none"> <li>determining the stage of completion based on a percentage of costs to complete, which requires an estimate of expenses incurred to date as a percentage of total estimated cost;</li> <li>recognition of contract modifications, such as unapproved variations and claims, to the extent they are approved or enforceable under the contract and the amount of revenue is recognised to the extent it is highly probable that a significant reversal will not occur;</li> <li>variable consideration which the Group recognises as revenue only when it is highly probable that a significant reversal of that</li> </ul>	<p>Our audit procedures, included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Developed an understanding of, and evaluated the design and implementation of the key controls associated with the recognition and measurement of revenue;</li> <li>Developed an understanding of the key systems underpinning the accounting for rendering of services and construction contract revenue and the related contract assets, and the relevant business process controls;</li> <li>Considered the appropriateness of the Group's accounting policy in relation to the recognition and measurement of revenue against the requirements of the Australian Accounting Standards;</li> <li>For a selection of projects based on qualitative and quantitative factors, we performed the following procedures amongst others: <ul style="list-style-type: none"> <li>Conducted visits to a selection of sites to observe physical evidence of progress;</li> <li>Inspected the signed contract agreements to develop an understanding of key contract terms;</li> <li>Held meetings with project managers and senior management to develop an understanding of the status of contracts and key changes in estimates since previous years;</li> <li>Assessed the cost to complete estimate, by performing a mixture of procedures depending on the nature of the project, including: <ul style="list-style-type: none"> <li>look back procedures on the Group's historical ability to forecast costs to complete,</li> <li>sensitivity analysis and/or comparison of cost estimates to prior year costs incurred,</li> </ul> </li> </ul> </li> </ul>



#### Key audit matter

revenue will not occur, in accordance with AASB 15 *Revenue from contracts with customers*; and

- impacts of any termination for convenience clauses in customer contracts on the revenue recognised and associated contract assets.

Auditing key estimates requires significant judgement given the estimation uncertainty and significant complexity involved in estimating the costs or extent of progress towards completion of work. In addition, revenue and contract assets are significant balances to the financial statements.

Therefore, recognition of revenue and contract assets on rendering of services and construction contracts was a focus of our audit and considered to be a key audit matter.

#### How our audit addressed the key audit matter

- key forecast assumptions were traced back to the source of information, such as agreements with subcontractors and wage agreements with employees;
- Assessed the measure of progress by challenging the nature of the goods or services that the Group has promised to transfer to the customer, and assessing whether a reliable measure of progress had been used;
- Tested the cost to complete estimate by assessing the reasonableness of the foreseeable project loss provisions recorded as of the year end for a selection of projects;
- Obtained evidence to support variations and claims included in forecast revenue against the criteria of AASB 15. This included assessment of correspondence with the customer, the Group's legal basis for variations and claims, external legal opinions and qualified professionals where necessary, and analysis of the amounts the Group considers to meet the highly probable requirement;
- Recalculated the revenue based on the input method for fixed price projects to assess the calculation of revenue recorded; and
- Assessed the reasonableness of the judgement made by management for contracts with a termination for convenience clause, including the impact of any associated termination payments.
- Tested the allocation of both labour and non labour costs to project costs to assess the accuracy of project margins;
- Tested a sample of payments and transactions recorded post year end to supporting evidence to assess completeness of costs recorded during the year;
- For a selection of project related balances as of the year end, tested the subsequent billing of unbilled contract revenue; and
- Assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting standards, including disclosures with respect to significant estimates and judgements.





#### Key audit matter

#### How our audit addressed the key audit matter

##### Carrying value of goodwill

Refer to note C7 Intangible assets

Under Australian Accounting Standards, the Group is required to test goodwill annually for impairment at the cash-generating unit (CGU) level. This process is inherently complex and requires judgement in forecasting the operational cash flows and determining discount and growth rates used in the cash flow models (the models).

The Group has prepared value in use (VIU) models based on discounted cash flow forecasts to calculate the recoverable amount for each of the five groups of CGUs. Key assumptions in the VIU models include revenue growth, earnings before interest and tax (EBIT) margin, long-term growth rate and discount rate.

The recoverable amount of goodwill was a key audit matter given the:

- Financial significance of goodwill in the consolidated statement of financial position; and
- Significant judgement applied by the Group in determining the recoverable amount of each group of CGUs.

Our audit procedures, included but were not limited to the following:

- Developed an understanding of, and evaluated the design and implementation of the key controls associated with the identification of impairment indicators and the preparation of the discounted cash flow models used to assess the recoverable amount of the Group's CGUs;
- Assessed the appropriateness of the Group's identification of, and allocation of goodwill to, the groups of CGUs;
- Assessed whether the groups of CGUs included directly attributable assets, liabilities, and cash flows and a reasonable allocation of corporate assets and overheads;
- Evaluated the Group's historical ability to forecast future cash flows by comparing budgets with reported actual results for the past year;
- Assessed the appropriateness of cash flow forecasts included in the models with reference to historical results, forecasts, economic and industry forecasts and contracted commitments;
- Tested the mathematical accuracy of the impairment model's calculations;
- Assessed the appropriateness of the discount rates, long-term growth rates and valuation methodology, with the assistance of PwC valuation experts;
- Considered the Group's sensitivity analysis on the key assumptions used in the impairment model to assess under which assumptions an impairment would occur and whether this was reasonably possible;
- Assessed the reasonableness of the disclosures made in note C7, including those regarding the key assumptions and sensitivities to changes in such assumptions, in light of the requirements of Australian Accounting Standards.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the 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 accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

#### **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 have no realistic alternative but to do so.

---

#### **Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf). This description forms part of our auditor's report.





## Report on the remuneration report

---

### Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Downer EDI 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.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Reilly'.

Jane Reilly  
Partner

Sydney  
21 August 2025

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2025

	Note	2025 \$'m	2024 \$'m
Revenue	B2	10,481.5	10,979.5
Other income	B2	50.0	71.3
<b>Total revenue and other income</b>		<b>10,531.5</b>	11,050.8
Employee benefits expense	D1	(3,136.0)	(3,430.8)
Subcontractor costs		(4,319.3)	(4,608.2)
Raw materials and consumables used		(1,437.7)	(1,299.3)
Plant and equipment costs		(365.6)	(406.7)
Depreciation on leased assets	C6	(140.9)	(153.3)
Other depreciation and amortisation	C5,C7	(201.6)	(192.7)
Impairment of non-current assets	C5,C6,C7	(53.0)	(69.1)
Other expenses from ordinary activities		(616.7)	(720.2)
<b>Total expenses</b>		<b>(10,270.8)</b>	(10,880.3)
Share of net profit of joint ventures and associates	F1(a)	22.5	10.0
<b>Earnings before interest and tax</b>		<b>283.2</b>	180.5
Finance income		17.2	11.6
Lease finance costs		(26.9)	(25.4)
Other finance costs		(72.4)	(74.9)
<b>Net finance costs</b>		<b>(82.1)</b>	(88.7)
<b>Profit before income tax</b>		<b>201.1</b>	91.8
Income tax expense	B5(a)	(52.0)	(9.7)
<b>Profit after income tax</b>		<b>149.1</b>	82.1
<b>Profit for the year is attributable to:</b>			
– Members of the parent entity		136.7	69.1
– Non-controlling interest		12.4	13.0
<b>Profit for the year</b>		<b>149.1</b>	82.1
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
– Actuarial movement on net defined benefit plan obligations	D2	(14.9)	2.1
– Income tax effect of actuarial movement on defined benefit plan obligations		4.5	(0.6)
– Change in fair value of unquoted equity investments		(0.1)	0.8
<b>Items that may be reclassified subsequently to profit or loss:</b>			
– Exchange differences arising on translation of foreign operations		4.1	(3.5)
– Net gain/(loss) on foreign currency forward contracts taken to equity		3.2	(1.4)
– Net loss on cross currency and interest rate swaps taken to equity		(10.3)	(6.4)
– Income tax effect of items above		2.1	2.3
<b>Other comprehensive loss for the year (net of tax)</b>		<b>(11.4)</b>	(6.7)
<b>Total comprehensive income for the year (net of tax)</b>		<b>137.7</b>	75.4
<b>Total comprehensive income for the period (net of tax) is attributable to:</b>			
– Members of the parent entity		125.3	62.4
– Non-controlling interest		12.4	13.0
<b>Total comprehensive income for the period (net of tax)</b>		<b>137.7</b>	75.4
<b>Earnings per share (cents)</b>			
Basic earnings per share	B4	20.4	10.3
Diluted earnings per share <sup>(i)</sup>	B4	20.4	10.3

(i) At 30 June 2025 and 2024, the Redeemable Optionally Adjustable Distributing Securities (ROADS) were deemed anti-dilutive and consequently, diluted EPS remained at 20.4 cents per share (2024: 10.3 cents per share).

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 127 to 204.

# Consolidated Statement of Financial Position

as at 30 June 2025

	Note	2025 \$'m	2024 \$'m
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1(c)	833.8	837.6
Trade receivables and contract assets	C2	1,802.7	1,862.7
Other financial assets	G3	30.5	20.1
Inventories	C3	201.0	210.5
Current tax assets		–	0.4
Prepayments and other assets		77.0	69.6
Assets classified as held for sale	F7	117.6	10.6
<b>Total current assets</b>		<b>3,062.6</b>	<b>3,011.5</b>
<b>Non-current assets</b>			
Trade receivables and contract assets	C2	155.2	145.1
Equity accounted investments	F1(a)	15.0	121.8
Property, plant and equipment	C5	786.8	841.2
Right-of-use assets	C6	362.5	412.9
Intangible assets	C7	2,030.8	2,120.1
Other financial assets	G3	22.8	46.1
Deferred tax assets	B5(b)	27.4	19.6
Prepayments and other assets		15.9	29.9
<b>Total non-current assets</b>		<b>3,416.4</b>	<b>3,736.7</b>
<b>Total assets</b>		<b>6,479.0</b>	<b>6,748.2</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and contract liabilities	C4	2,059.1	2,041.1
Borrowings	E1	683.2	–
Lease liabilities	E3	112.8	126.9
Other financial liabilities	G3	8.2	13.2
Current tax liabilities		47.5	26.4
Employee benefits provision	D1	280.4	274.1
Other provisions	C8	117.3	158.9
Liabilities associated with assets classified as held for sale	F7	53.9	10.6
<b>Total current liabilities</b>		<b>3,362.4</b>	<b>2,651.2</b>
<b>Non-current liabilities</b>			
Trade payables and contract liabilities	C4	44.2	60.6
Borrowings	E1	401.8	1,294.0
Lease liabilities	E3	339.2	385.0
Other financial liabilities	G3	19.4	21.4
Deferred tax liabilities	B5(b)	15.7	22.4
Employee benefits provision	D1	24.4	24.3
Other provisions	C8	31.6	29.9
<b>Total non-current liabilities</b>		<b>876.3</b>	<b>1,837.6</b>
<b>Total liabilities</b>		<b>4,238.7</b>	<b>4,488.8</b>
<b>Net assets</b>		<b>2,240.3</b>	<b>2,259.4</b>
<b>EQUITY</b>			
Issued capital	E5	2,465.8	2,463.9
Reserves	E6	2.1	13.4
Accumulated losses		(406.2)	(396.5)
<b>Equity attributable to the parent interests</b>		<b>2,061.7</b>	<b>2,080.8</b>
Non-controlling interest		178.6	178.6
<b>Total equity</b>		<b>2,240.3</b>	<b>2,259.4</b>

The consolidated statement of financial position should be read in conjunction with the accompanying notes on pages 127 to 204.

## Consolidated Statement of Changes in Equity

for the year ended 30 June 2025

2025 \$'m	Note	Issued Capital	Reserves	Accumulated losses	Total attributable to owners of the parent	Non- controlling interest	Total
Balance at 1 July 2024		2,463.9	13.4	(396.5)	2,080.8	178.6	2,259.4
Profit after income tax		–	–	136.7	136.7	12.4	149.1
Other comprehensive loss for the year (net of tax)		–	(11.4)	–	(11.4)	–	(11.4)
<b>Total comprehensive income/(loss) for the year</b>		<b>–</b>	<b>(11.4)</b>	<b>136.7</b>	<b>125.3</b>	<b>12.4</b>	<b>137.7</b>
Vested executive incentive share transactions		1.9	(1.9)	–	–	–	–
Share-based employee benefits expense		–	3.7	–	3.7	–	3.7
Income tax relating to share-based transactions during the year		–	(1.7)	–	(1.7)	–	(1.7)
Payment of dividends <sup>(i)</sup>	E7	–	–	(146.4)	(146.4)	(12.4)	(158.8)
<b>Balance at 30 June 2025</b>		<b>2,465.8</b>	<b>2.1</b>	<b>(406.2)</b>	<b>2,061.7</b>	<b>178.6</b>	<b>2,240.3</b>

(i) Relates to the 2024 final dividend, 2025 interim dividend and \$12.4 million ROADS dividends paid during the financial year.

2024 \$'m		Issued Capital	Reserves	Accumulated losses	Total attributable to owners of the parent	Non- controlling interest	Total
Balance at 1 July 2023		2,463.8	19.0	(371.6)	2,111.2	178.6	2,289.8
Profit after income tax		–	–	69.1	69.1	13.0	82.1
Other comprehensive loss for the year (net of tax)		–	(6.7)	–	(6.7)	–	(6.7)
<b>Total comprehensive income/(loss) for the year</b>		<b>–</b>	<b>(6.7)</b>	<b>69.1</b>	<b>62.4</b>	<b>13.0</b>	<b>75.4</b>
Vested executive incentive share transactions		0.1	(0.1)	–	–	–	–
Share-based employee benefits expense		–	3.2	–	3.2	–	3.2
Income tax relating to share-based transactions during the year		–	(2.0)	–	(2.0)	–	(2.0)
Payment of dividends <sup>(ii)</sup>		–	–	(94.0)	(94.0)	(13.0)	(107.0)
<b>Balance at 30 June 2024</b>		<b>2,463.9</b>	<b>13.4</b>	<b>(396.5)</b>	<b>2,080.8</b>	<b>178.6</b>	<b>2,259.4</b>

(ii) Relates to the 2023 final dividend, 2024 interim dividend and \$13.0 million ROADS dividends paid during the financial year.

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes on pages 127 to 204.

## Consolidated Statement of Cash Flows

for the year ended 30 June 2025

	Note	2025 \$'m	2024 \$'m
<b>Cash flows from operating activities</b>			
Receipts from customers		11,767.8	12,333.6
Payments to suppliers and employees		(11,112.8)	(11,693.4)
GST proceeds on disposal of business <sup>(i)</sup>		-	(23.5)
Distributions received		32.2	18.9
<b>Net cash generated by operating cash flow before interest and tax</b>		<b>687.2</b>	635.6
Interest received		16.9	12.2
Interest paid on lease liabilities		(26.9)	(25.4)
Interest and other costs of finance paid		(69.2)	(67.7)
Income tax paid		(45.5)	(10.6)
<b>Net cash generated by operating activities</b>	C1(a)	<b>562.5</b>	544.1
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		11.5	54.5
Payments for property, plant and equipment		(118.8)	(124.3)
Payments for intangible assets		(4.1)	(22.0)
Payments of deferred consideration for acquisition of businesses		-	(1.3)
Net proceeds and deferred consideration from sale of business (net of cash disposed)	F6	61.9	68.5
Receipts from investments	G3	0.8	1.0
Net advances from/(to) equity accounted investments		19.6	(5.7)
<b>Net cash used in investing activities</b>		<b>(29.1)</b>	(29.3)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,682.0	6,033.0
Repayments of borrowings		(1,912.1)	(6,329.1)
Payment of principal of lease liabilities	C1(b)	(147.6)	(163.5)
Dividends paid		(158.8)	(107.0)
<b>Net cash used in financing activities</b>		<b>(536.5)</b>	(566.6)
<b>Net decrease in cash and cash equivalents</b>		<b>(3.1)</b>	(51.8)
Cash and cash equivalents at the beginning of the year		837.6	889.1
Effect of exchange rate changes		(0.7)	0.3
<b>Cash and cash equivalents at the end of the year</b>	C1(c)	<b>833.8</b>	837.6

(i) In the prior year, \$23.5 million GST proceeds on disposal of the Australian Transport Project business was remitted to the Australian Taxation Office in July 2023.

The consolidated statement of cash flows should be read in conjunction with the accompanying notes on pages 127 to 204.



## Notes to the consolidated financial statements

for the year ended 30 June 2025

# A\_About this report

### Statement of compliance

These general purpose financial statements (Financial Report) of Downer EDI Limited (the Company) (ABN 97 003 872 848) have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth). The Financial Report also complies with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements comprise the Parent company and its controlled entities (together the Group). The Group is a for-profit entity.

A description of the nature of the Group's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The Financial Report was authorised for issue by the Board of Directors.

### Rounding of amounts

Downer is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and consolidated financial statements. Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with that Instrument. Amounts shown as \$- represent amounts less than \$50,000 which have been rounded down. In some instances, totals may not add due to rounding.

### Basis of preparation

The Financial Report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments measured at fair value, assets held for sale and non-current assets measured at the lower of carrying value and fair value less costs to sell and defined benefit plans measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars which is the Company's functional and presentation currency.

Certain comparative balances have been reclassified for consistency with the classification in the 30 June 2025 Financial Report.

The accounting policies used in the preparation of the Financial Report are consistent with those adopted and disclosed in Downer's Financial Report for the financial year ended 30 June 2024, except in relation to the relevant new and amended accounting standards adopted by the Group and their effects on the current period or prior periods as described in Note G1.

### Going Concern

As at 30 June 2025, the Group has net current liabilities of \$299.8 million (2024: net current assets \$360.3 million) largely as a result of \$683.2 million of facilities maturing within 12 months. The Group generated positive cash flows from operations of \$562.5 million. On 8 July 2025, the Group repaid its US Private Placement borrowings through available liquidity (refer to Note B7). The Group has sufficient unutilised facilities that can be drawn, should it be required (refer to note E2). Based on the unutilised facilities and cash flow forecast for the next 12 months, the Group will be able to pay its debts as and when they become due and payable. Accordingly, the financial statements have been prepared on a going concern basis.

## Accounting estimates and judgements

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements, estimates and assumptions on historical experience and other factors including expectations of future events management believes to be reasonable under the circumstances. The following table provides an overview of the areas that involved a higher degree of judgement or complexity. Detailed information about each of these judgements is included in the following notes:

Accounting judgements	Note	Page
Revenue recognition	B2	138
Income taxes	B5	145
Useful lives	C6	156
Impairment of assets	C7	160
Other provisions	C8	165
Contingent liabilities	C9	166
Employee benefits obligations	D1	167
Lease liabilities	E3	173

Information about assumptions and estimation uncertainty at the reporting date that has a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year is included in the following notes:

Accounting estimates	Note	Page
Revenue recognition	B2	138
Recognition of deferred tax assets	B5	145
Credit risk	C2	152
Useful lives	C5 to C7	155 to 160
Recoverable value of right-of-use assets	C6	156
Intangible assets	C7	160
Other provisions	C8	165
Employee benefits obligations	D1	167
Lease liabilities	E3	173

## Material accounting policies

Accounting policies are selected and applied in a manner such that the resulting financial information satisfies the concepts of relevance and reliability, thereby the substance of the underlying transactions or other events is reported. Other material accounting policies are contained in the notes to the Financial Report to which they relate.

### (i) Principles of consolidation

The Financial Report incorporates the financial statements of Downer EDI Limited (the Company/Downer) and entities it controlled. Downer EDI Limited and its subsidiaries together are referred to in the Financial Report as the 'Group'. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Financial Report includes the information and results of each subsidiary from the date on which the Company obtains control and until such date as control of the subsidiary ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity of the consolidated entity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

## (ii) Foreign currency

Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars at reporting date using the following applicable exchange rates:

Foreign currency	Applicable exchange rate
Transactions	Date of Transaction
Monetary assets and liabilities	Reporting Date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined

Foreign exchange gains and losses resulting from translation are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except for qualifying cash flow hedges which are deferred to equity.

On consolidation of foreign operations, the assets, liabilities, income and expenses are translated into Australian dollars using the following applicable exchange rates:

Foreign operations	Applicable exchange rate
Income and expenses	Average exchange rate
Monetary assets and liabilities	Reporting Date
Equity	Historical date

Foreign exchange differences resulting from translation are initially recognised in the foreign currency translation reserve and subsequently transferred to the profit or loss on disposal of the foreign operation.

## (iii) Finance and borrowing costs

Finance costs comprise interest expense on borrowings, unwind of discounts on provisions, cost to establish financing facilities (which are expensed over the term of the facility), losses on ineffective hedging instruments that are recognised in profit or loss and finance lease charges.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the asset.

Other borrowing costs are expensed in the period in which they are incurred.

# B\_Business performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the financial year and, where relevant, the accounting policies applied and the critical judgements and estimates made.

B1	Segment information	B5	Taxation
B2	Revenue	B6	Remuneration of auditor
B3	Individually significant items	B7	Subsequent events
B4	Earnings per share		

## B1. Segment information

### Identification of reportable segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group’s chief operating decision maker in order to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Group CEO in assessing performance and in determining the allocation of resources. The Group CEO is identified as the Chief Operating Decision Maker. The operating segments are identified by the Group based on the nature of the services provided. Financial information about each of these segments and additional information on operating businesses within each segment is reported to the Group CEO on a regular basis.

In determining the information to disclose for each segment the Group has implemented the July 2024 IFRIC Agenda Decision on Operating Segments and notes no change in disclosure, with the Group not including each item of expense presented in the Consolidated statement of profit and loss as these are not reviewed by the Group CEO for assessing performance of segments and are not expected to influence decisions of users of the financial statements.

The reportable segments are based on a combination of operating businesses determined by the similarity of the services provided, the sources of the Group’s major risks that could therefore have the greatest effect on the rates of return and their quantitative contribution to the Group’s results.

On 1 July 2024, the Industrial & Energy (I&E) business was transitioned to the Energy & Utilities business. Consequently, I&E now forms part of the Energy & Utilities segment (previously reported as part of the Facilities segment). As a result, the Utilities segment has been renamed the Energy & Utilities segment and the prior period comparative segment information has been restated.

The reportable segments identified within the Group are outlined as follows:

Segment	Segment description
<b>Transport</b>	Comprises the Group's road services businesses across Australia and New Zealand, rail businesses in Australia and projects businesses in New Zealand. Downer's road services include: road network management; routine road maintenance; asset management systems; spray sealing; asphalt laying; manufacture and supply of bitumen-based products and asphalt products; the use of recycled products and environmentally sustainable methods to produce asphalt; and landfill diversion solutions. The Rail business spans all light rail and heavy rail sectors, from rollingstock to infrastructure; from design and manufacture to through-life-support including fleet maintenance, operations and comprehensive overhaul of assets. Transport also provides building and construction solutions across a variety of sectors in New Zealand including signalling, track and station works, bridges, airports and roads. Through the Hawkins business, Downer also delivers vertical construction to customers in New Zealand.
<b>Energy &amp; Utilities</b>	Comprises the Group's power, gas, water, telecommunications, industrial, resources and energy businesses. This includes: planning, designing, constructing, operating, maintaining, managing and decommissioning power and gas network assets; providing complete water lifecycle solutions for municipal and industrial water users including water and wastewater treatment, network construction and rehabilitation; end-to-end technology and communications solutions including design, civil construction, network construction, operations and maintenance across fibre, copper and radio networks, and maintenance shutdowns, turnaround and outage delivery. It also provides feasibility studies; engineering design; procurement and construction; commissioning and decommissioning services; and design and manufacture of mineral process equipment.
<b>Facilities</b>	Facilities delivers outsourced facility services across a broad spectrum of industry sectors, including education, health, government, and defence. Facilities support the full lifecycle of strategic assets – ranging from maintenance and operational support to expansion and frontline service delivery. Services encompass comprehensive asset management solutions and consulting services tailored to the needs of complex estates and infrastructure.

2025 \$'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
<b>Total revenue including joint ventures, associates and other income<sup>(i) (ii) (iii)</sup></b>	<b>5,557.8</b>	<b>3,009.5</b>	<b>2,241.9</b>	<b>76.5</b>	<b>10,885.7</b>
Share of sales revenue from joint ventures and associates <sup>(i)</sup>	(303.5)	–	–	(50.7)	(354.2)
<b>Segment revenue and other income</b>	<b>5,254.3</b>	<b>3,009.5</b>	<b>2,241.9</b>	<b>25.8</b>	<b>10,531.5</b>
Share of net profit/(loss) from joint ventures and associates	23.3	–	–	(0.8)	22.5
Depreciation and amortisation (excl. Amortisation of acquired intangibles)	(186.2)	(34.8)	(22.8)	(71.2)	(315.0)
<b>Total reported segment results – EBIT before amortisation of acquired intangibles (EBITA)</b>	<b>290.7</b>	<b>121.7</b>	<b>153.8</b>	<b>(255.5)</b>	<b>310.7</b>
Amortisation of acquired intangibles	(2.8)	(0.3)	(3.8)	(20.6)	(27.5)
Earnings before interest and tax (EBIT)	287.9	121.4	150.0	(276.1)	283.2
Net finance costs					(82.1)
<b>Total profit before income tax</b>					<b>201.1</b>
Acquisition of segment assets	96.2	9.4	9.2	5.5	120.3
Segment assets	3,099.0	1,457.8	1,467.3	454.9	6,479.0
Segment liabilities	1,615.4	623.4	550.9	1,449.0	4,238.7
Carrying value of equity accounted investees	15.0	–	–	–	15.0

(i) This is a non-statutory disclosure as it relates to Downer's share of revenue from equity accounted joint ventures and associates.

(ii) Included in FY25 total revenue is \$319.5 million (FY24: \$1,135.4 million) in relation to divested businesses and assets held for sale.

(iii) The Group did not derive revenue greater than 10% of the Group's total revenue from a single major customer.

## 2024

### Revised<sup>(iii)</sup>

\$'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
<b>Total revenue including joint ventures, associates and other income<sup>(i)</sup></b>	6,222.0	3,265.6	2,333.5	146.5	11,967.6
Share of sales revenue from joint ventures and associates <sup>(i)</sup>	(819.7)	-	-	(97.1)	(916.8)
<b>Segment revenue and other income</b>	5,402.3	3,265.6	2,333.5	49.4	11,050.8
Share of net profit/(loss) from joint ventures and associates	13.5	-	-	(3.5)	10.0
Depreciation and amortisation (excl. Amortisation of acquired intangibles) <sup>(iii)</sup>	(200.5)	(33.0)	(20.3)	(69.1)	(322.9)
<b>Total reported segment results – EBIT before amortisation of acquired intangibles (EBITA)</b>	250.4	85.7	147.2	(279.7)	203.6
Amortisation of acquired intangibles	(1.1)	(0.3)	(4.6)	(17.1)	(23.1)
Earnings before interest and tax (EBIT)	249.3	85.4	142.6	(296.8)	180.5
Net finance costs					(88.7)
<b>Total profit before income tax</b>					91.8
Acquisition of segment assets	110.2	15.5	3.9	16.5	146.1
Segment assets	3,178.8	1,528.1	1,524.7	516.6	6,748.2
Segment liabilities	1,529.9	702.4	588.3	1,668.2	4,488.8
Carrying value of equity accounted investees	96.4	-	-	25.4	121.8

(i) This is a non-statutory disclosure as it relates to Downer's share of revenue from equity accounted joint ventures and associates.

(ii) Revised to reflect changes in operating segments described above.

(iii) Depreciation and amortisation expense has been revised to exclude the amortisation of acquired intangibles.

Reconciliation of segment EBIT to net profit after tax:

	Note	Segment Results	
		2025 \$'m	2024 \$'m
<b>Segment EBIT before Unallocated</b>		559.3	477.3
<b>Unallocated:</b>			
Fair value movement on DCSO liability	B3	-	3.7
Net (loss) / profit on divestments and exit costs	B3	(36.2)	21.7
Transformation and restructure costs	B3	(51.3)	(61.6)
Regulatory reviews and legal matters	B3	(10.7)	(23.3)
Impairment, asset write-downs and other	B3	(71.8)	(117.7)
Amortisation of Spotless and Tenix acquired intangible assets		(14.1)	(17.1)
Corporate costs		(92.0)	(102.5)
<b>Total unallocated</b>		<b>(276.1)</b>	(296.8)
<b>Earnings before interest and tax</b>		283.2	180.5
Net finance costs		(82.1)	(88.7)
<b>Profit before income tax</b>		<b>201.1</b>	91.8
Income tax expense	B5(a)	(52.0)	(9.7)
<b>Profit after income tax</b>		<b>149.1</b>	82.1



## Segment assets by geographical location

	Segment assets Non-current <sup>(ii)</sup>		Acquisition of segment assets Non-current	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
<b>Geographical location<sup>(i)</sup></b>				
Australia	2,660.6	2,954.6	79.3	84.0
New Zealand and Pacific	550.8	558.4	40.8	61.8
Rest of the world	0.9	1.1	0.2	0.3
<b>Total</b>	<b>3,212.3</b>	<b>3,514.1</b>	<b>120.3</b>	<b>146.1</b>

(i) Assets are allocated based on the geographical location of the legal entity.

(ii) Total of non-current assets other than deferred tax assets, financial instruments, post-employment benefit assets and trade and other receivables.

## B2. Revenue

### Revenue and other income

2025 \$'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
Rendering of services	3,065.4	2,309.6	2,185.3	1.3	7,561.6
Construction contracts	1,872.5	667.8	12.9	–	2,553.2
Sale of goods	283.0	30.6	43.7	–	357.3
<b>Total revenue from contracts with customers</b>	<b>5,220.9</b>	<b>3,008.0</b>	<b>2,241.9</b>	<b>1.3</b>	<b>10,472.1</b>
Other revenue	5.4	0.3	–	3.7	9.4
<b>Total revenue</b>	<b>5,226.3</b>	<b>3,008.3</b>	<b>2,241.9</b>	<b>5.0</b>	<b>10,481.5</b>
Insurance recoveries	–	–	–	16.4	16.4
Net gain/ (loss) on sale of property, plant and equipment	1.7	0.5	–	(0.1)	2.1
Other	26.3	0.7	–	4.5	31.5
<b>Other income</b>	<b>28.0</b>	<b>1.2</b>	<b>–</b>	<b>20.8</b>	<b>50.0</b>
<b>Total revenue and other income</b>	<b>5,254.3</b>	<b>3,009.5</b>	<b>2,241.9</b>	<b>25.8</b>	<b>10,531.5</b>

## 2024

### Revised<sup>(i)</sup>

\$'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
Rendering of services	3,004.2	2,621.5	2,273.3	0.8	7,899.8
Construction contracts	2,071.1	611.3	–	–	2,682.4
Sale of goods	297.0	30.4	59.4	–	386.8
<b>Total revenue from contracts with customers</b>	<b>5,372.3</b>	<b>3,263.2</b>	<b>2,332.7</b>	<b>0.8</b>	<b>10,969.0</b>
Other revenue	8.2	–	0.1	2.2	10.5
<b>Total revenue</b>	<b>5,380.5</b>	<b>3,263.2</b>	<b>2,332.8</b>	<b>3.0</b>	<b>10,979.5</b>
Government grants <sup>(ii)</sup>	0.1	1.2	–	–	1.3
Insurance recoveries	7.9	–	–	–	7.9
Net gain on sale of property, plant and equipment	4.3	0.8	–	–	5.1
Net gain on disposal of business	–	0.4	–	35.7	36.1
Other	9.5	–	0.7	10.7	20.9
<b>Other income</b>	<b>21.8</b>	<b>2.4</b>	<b>0.7</b>	<b>46.4</b>	<b>71.3</b>
<b>Total revenue and other income</b>	<b>5,402.3</b>	<b>3,265.6</b>	<b>2,333.5</b>	<b>49.4</b>	<b>11,050.8</b>

(i) Revised to reflect changes in operating segments described above.

(ii) Government grants represents incentives received in relation to the apprenticeship wage subsidies and hiring incentive scheme and research and development tax incentive.

## Revenue from contracts with customers by geographical location

## 2025

### \$'m

	Transport	Energy & Utilities	Facilities	Unallocated	Total
<b>Geographical location<sup>(i)</sup></b>					
Australia	3,023.5	2,461.6	1,942.2	0.2	<b>7,427.5</b>
New Zealand and Pacific	2,197.4	504.7	299.7	1.1	<b>3,002.9</b>
Rest of the world	–	41.7	–	–	<b>41.7</b>
<b>Total revenue from contracts with customers</b>	<b>5,220.9</b>	<b>3,008.0</b>	<b>2,241.9</b>	<b>1.3</b>	<b>10,472.1</b>

## 2024

### Revised<sup>(ii)</sup>

\$'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
<b>Geographical location<sup>(i)</sup></b>					
Australia	2,938.2	2,672.5	1,975.7	0.4	7,586.8
New Zealand and Pacific	2,434.0	539.5	357.0	0.4	3,330.9
Rest of the world	0.1	51.2	–	–	51.3
<b>Total revenue from contracts with customers</b>	<b>5,372.3</b>	<b>3,263.2</b>	<b>2,332.7</b>	<b>0.8</b>	<b>10,969.0</b>

(i) Revenue is allocated based on the geographical location of the legal entity.

(ii) Revised to reflect changes in operating segments described above.

## Recognition and measurement

### Revenue

The Group recognises revenue when a customer obtains control of the goods or services, in accordance with AASB 15 *Revenue from Contracts with Customers* (AASB 15). Revenue is measured at the consideration received or receivable. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. The Group enters into client contracts with relatively long-term durations under various contract types including schedules of rates, lump sum and cost-reimbursable. Various contractual terms and conditions determine the mechanism of pricing and revenue recognition. Revenue is recognised if it meets the criteria below.

#### (i) Rendering of services

The Group primarily generates service revenue from the following activities:

- Maintenance and management of transport infrastructure
- Utilities infrastructure maintenance services (gas, power and water)
- Maintenance and installation of infrastructure in the telecommunications sector
- Industrial plant maintenance
- Engineering and consultancy services
- Rollingstock maintenance and rail asset management services
- Facilities management

Typically, under the performance obligations of service contracts, the customer consumes and receives the benefit of the service as it is provided. As such, service revenue is recognised over time as the services are provided.

#### (ii) Construction contracts

The Group primarily generates construction revenue from building, infrastructure, minor capital works and rollingstock manufacturing activities. The contractual terms and the way in which the Group operates its construction contracts are derived from projects predominantly containing one performance obligation. Under these performance obligations, performance either creates or enhances an asset that the customer controls as the asset is created, or performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Therefore, revenue is recognised over time based on stage of completion of the contract.

#### (iii) Sale of goods

Revenue is recognised at a point in time when the customer obtains control of goods, which is generally at the time of purchase or delivery to the customer.

#### (iv) Other revenue

Other revenue primarily includes rental income.

#### (v) Other income

Other income primarily includes insurance recoveries, government grants, gains on sale of property, plant and equipment, and net gain on disposal of businesses.

Insurance recoveries relate to insurance refunds received for claims lodged that met the recognition criteria of being 'virtually certain' following confirmation of indemnity received from insurers.

Government grants relate to income received under the apprenticeship wage and hiring incentive scheme and research and development tax incentive. The Group elects to present these subsidies in 'Other income' as allowed under AASB 120 *Accounting for Government grants and disclosure of Government assistance*.

## Principal versus agent

In some instances where the Group is acting as an agent in arrangements that invoice on behalf of another contractor as part of the commercial contractual terms and conditions, the revenue recognised is limited to the gross margin that the Group is entitled to, not the total amount billed.

For contracts where a third party (for example, subcontractors) is involved in providing services, the Group determines whether it is acting as a principal or an agent. The Group acts as a principal if it controls the specified good or service before that service is transferred to a customer.

## Contract modifications

For services and construction contracts, revenue from variations and claims is recognised to the extent they are approved or enforceable under the contract. The amount of revenue is then recognised to the extent it is highly probable that a significant reversal of revenue will not occur.

In making this assessment, the Group considers a number of factors including nature of the claim, formal or informal acceptance by the customer of the validity of the claim, stage of negotiations, or the historical outcome of similar claims to determine whether the enforceable and the 'highly probable' thresholds have been met.

Revenue in relation to modifications, such as a change in the scope of the contract, will only be included in the transaction price when it is approved by the parties to the contract or the modification is enforceable and the amount becomes highly probable. Modifications may also be recognised when client instruction has been received in line with customary business practice for the customer.

## Contract costs (tender costs)

Costs incurred during the tender/bid process are expensed, unless they are incremental to obtaining the contract and the Group expects to recover those costs or where they are explicitly chargeable to the customer regardless of whether the contract is obtained.

## Performance obligations and contract duration

Revenue is allocated to each performance obligation and recognised as the performance obligation is satisfied which may be at a point in time or over time.

AASB 15 requires a granular approach to identify the different revenue streams (i.e. performance obligations) in a contract by identifying the different activities that are being undertaken and then aggregating only those where the different activities are significantly integrated or highly interdependent. Revenue will be recognised, on certain contracts over time, as a single performance obligation when the services are part of a series of distinct goods and services that are substantially integrated with the same pattern of transfer.

AASB 15 provides guidance in respect of the term over which revenue may be recognised and is limited to the period for which the parties have enforceable rights and obligations. When the customer can terminate a contract for convenience (without a substantive penalty), the contract term and related revenue is limited to the period.

The Group has elected to apply the practical expedient to not adjust the total consideration over the contract term for the effect of a financing component if the period between the transfer of services to the customer and the customer's payment for these services is expected to be one year or less.

## Measure of progress

The Group recognises revenue using the measure of progress that best reflects the Group's performance in satisfying the performance obligation over time. The different methods of measuring progress include an input method (e.g. costs incurred) or an output method (e.g. time elapsed). The same method of progress will be consistently applied to similar performance obligations.

As a practical expedient where the Group has a right to invoice the customer at an amount that corresponds directly with its performance to date, then the Group recognises revenue at that amount.

## Remaining performance obligations

As of 30 June 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations is \$19,401.5 million (2024: \$20,000.5 million). The Group will recognise this revenue when the performance obligations are satisfied. Approximately ~41% of remaining performance obligations are expected to occur within the next five years; with the remaining ~59% related to long-term service/maintenance contracts ranging up to 37 years.

The remaining performance obligations balances for both 30 June 2025 and 30 June 2024 presented above relate to the revenue expected to be recognised from ongoing contracts with an expected duration of more than 12 months.

## Variable consideration

Variable consideration that is contingent on the Group's performance, including key performance payments, liquidated damages and abatements that offset revenue under the contract, is recognised only when it is highly probable that a reversal of that revenue will not occur.

In addition, where the identified revenue stream is determined to be a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer (e.g. maintenance services), variable consideration is recognised in the period/(s) in which the series of distinct goods or services subject to the variable consideration are completed.

## Loss-making contracts

Loss-making contracts are recognised under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* as onerous contracts.

In making this assessment, the Group considers the performance of a contract cumulatively life to date, in the most recent reporting period, and updates the final forecast at completion.

In circumstances where contracts have incurred losses, either cumulatively life to date or in the reporting period, and the final forecast margin anticipates improvements in contract performance to deliver an overall profitable outcome on the contract, detailed reviews are completed to assess the basis and reasonableness of the expected turnaround. In these circumstances an onerous contract is not recognised.

## **Key estimate and judgement: Revenue recognition**

### **Measure of Progress**

Management uses judgement in selecting an appropriate measure of progress towards completing satisfaction of an obligation. The selected method considers the nature of the good or service that the Group has promised to transfer to the customer.

### **Stage of completion**

Determining the stage of completion based on a percentage of costs to complete requires an estimate of expenses incurred to date as a percentage of total estimated costs. Significant judgement is required to determine the remaining costs to be incurred in delivering the remainder of the project.

### **Modifications**

When a contract modification exists and the Group has an approved enforceable right to payment, revenue in relation to claims and variations is only included in the transaction price when the amount claimable becomes highly probable. Management uses judgement in determining whether an approved enforceable right exists and determining when an amount is highly probable.

### **Variable consideration**

Determining the amount of variable consideration requires an estimate based on either the 'expected value' or the 'most likely amount'. The estimate of variable consideration can only be recognised to the extent it is highly probable that a significant revenue reversal will not occur in future. Significant judgement is required in determining whether revenue should be constrained for variations and claims to customers and potential liquidated damages.

### **Termination for convenience clauses**

When a contract provides that a customer can terminate for convenience, management must determine whether or not termination penalties payable by the customer to the Group on termination are substantive. This determination impacts whether the Group accounts for the customer contract as a long-term contract over the stated term or as a short-term contract over the non-cancellable period. The assessed contract term impacts the determination and allocation of the transaction price to performance obligations, and ultimately when revenue is recognised.

### **Defects and warranty**

Contracts for rendering of services and construction may include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and associated costs are estimated and included in the total costs of the contracts. Where required, obligations for defects and warranty are recognised as a provision, refer to Note C8 Other provisions.

Changes in these estimates or judgements could have a material impact on the financial statements of the Group.



### B3. Individually significant items

The following material items of income and expense, forming part of the unallocated segment, are relevant to an understanding of the Group's financial performance:

2025 \$'m	Net loss on divestments and exit costs	Transformation and restructure costs	Regulatory reviews and legal matters	Impairment, asset write- downs and other	Total
Other income	–	–	–	16.4	16.4
Employee benefits expense	(2.5)	(18.0)	–	(3.2)	(23.7)
Other depreciation and amortisation	(3.8)	–	–	(21.8)	(25.6)
Impairment of non-current assets	–	–	–	(53.0)	(53.0)
Net loss on disposal of businesses	(20.8)	–	–	–	(20.8)
Other expenses from ordinary activities	(9.1)	(32.8)	(10.7)	(10.2)	(62.8)
Share of net profit of joint venture and associates	–	(0.5)	–	–	(0.5)
<b>Total significant items before interest and tax</b>	<b>(36.2)</b>	<b>(51.3)</b>	<b>(10.7)</b>	<b>(71.8)</b>	<b>(170.0)</b>
Income tax benefit	14.8	15.5	3.1	21.0	54.4
<b>Total significant items after income tax</b>	<b>(21.4)</b>	<b>(35.8)</b>	<b>(7.6)</b>	<b>(50.8)</b>	<b>(115.6)</b>

### Divestments and exit costs

During the period, the Group made continued progress against its strategic priority of portfolio simplification and divestments and exit costs were recognised in relation to a number of transactions. Refer to Note F6 for further details on the individual transactions.

The net loss on divestments and exit costs includes:

- \$20.8 million net pre-tax loss (including disposal costs) across the divestments, inclusive of:
  - \$41.1 million gain on disposal of the remaining 29.9% interest in its Australian Laundries business to an Australian private equity fund run by Macquarie Asset Management.
  - \$38.6 million impairment of assets held for sale following the agreement to sell Downer's 49% interest in Keolis Downer to the Keolis Group. The transaction is expected to complete in late 2025, subject to Foreign Investment Review Board approval and customary conditions.
  - \$23.3 million loss on sale of Australian cleaning and New Zealand catering businesses as part of the ongoing strategy to simplify the Facilities business and focus on core markets.
- \$3.8 million of accelerated amortisation on acquired intangibles from the Spotless acquisition due to disposed contracts.
- \$7.9 million exit costs associated with transfer and demobilisation of the Power Maintenance Contract completing in July 2025 within Energy & Utilities involving transfer of employees, assets and sites (included here as akin to a divestment in nature).
- Capital losses on which a deferred tax asset has not been previously recognised have been fully utilised to offset capital gains arising on divestments during the year.

These divestments largely close out our portfolio simplification program, which has sharpened the Company's focus on core markets and growth opportunities aligned to our technical strengths and core capabilities.

### Transformation and restructure costs

Transformation and restructure costs represent costs incurred in relation to Downer's Transformation program to restructure its operating model and to identify opportunities for overhead savings from improved alignment and role clarity between the Corporate and Business Unit organisation structures. The material elements of the costs associated with the transformation and restructure are as follows:

- Redundancy and severance costs associated with ongoing review of the Group operating model
- Transformation program implementation costs including external advisor costs
- IT transformation costs, impacting work management, project management, ERP systems (e.g. SAP S/4 Hana in Facilities Segment) and modernising IT infrastructure. These programs objectives include an uplift in capability and/or cost savings.

## Regulatory reviews and legal matters

Regulatory review and legal matters costs were incurred in relation to Downer's defence against actions filed against the Company, including shareholder class actions filed in early 2023 and the action filed by the Australian Competition and Consumer Commission (ACCC) in December 2024. These costs also relate to regulatory reviews, undertaking related business conduct reviews and investigations, and costs associated with defending and settling historical long dated warranty claims associated with businesses no longer in operation.

The shareholder class action and ACCC claim have been disclosed as contingent liabilities in Note C9.

## Impairment, asset write-downs and other

Impairment and other asset write-downs relate to:

- A Rail site in the Transport segment with a \$47.0 million impairment in relation to fixed assets including buildings and equipment as a result of a change in forecast customer demand; Insurance recoveries of \$16.4 million in relation to storm hail damage; and, site rectification costs of \$10.2 million.
- Accelerated amortisation and write-downs in relation to IT assets and discontinuation of IT development programs, where the ongoing usage has been reviewed as part of the Technology Simplification and Optimise programs to reduce complexity, identify cost savings and align with changes to the Group's new operating model.
- Accelerated amortisation on acquired intangibles from the Spotless acquisition from exited contracts.
- Office space and vehicle leases being surplus to requirements and terminated as a result of business transformation.

## Prior Year

The Group recognised the following items as individually significant items as at 30 June 2024:

2024 \$'m	Fair value movement on DCSO liability	Net gain on divestments and exit costs	Transformation and restructure costs	Regulatory reviews and legal matters	Impairment, asset write- downs and other	Total
Other income	3.7	-	-	-	-	3.7
Net gain on disposal of businesses	-	36.1	-	-	-	36.1
Employee benefits expense	-	-	(28.7)	-	-	(28.7)
Other depreciation and amortisation	-	-	-	-	(11.2)	(11.2)
Impairment of non-current assets	-	-	-	-	(69.1)	(69.1)
Other expenses from ordinary activities	-	(14.4)	(31.6)	(23.3)	(37.4)	(106.7)
Share of net profit of joint venture and association	-	-	(1.3)	-	-	(1.3)
<b>Total significant items before interest and tax</b>	3.7	21.7	(61.6)	(23.3)	(117.7)	(177.2)
Income tax benefit	-	5.5	18.0	6.8	35.1	65.4
<b>Total significant items after income tax</b>	3.7	27.2	(43.6)	(16.5)	(82.6)	(111.8)

## Fair value movement on Downer Contingent Share Options (DCSO) liability

As part of the consideration to acquire the shares in Spotless that it did not already own, the Group granted three tranches of 2.5 million share options to the previous minority interest shareholders on 12 August 2020 which are exercisable within four years of issue on achievement of three prescribed share price targets (the Downer Contingent Share Options or DCSO). The fair value at issue date of these options was recognised as a liability arising on the acquisition of the shares. The DCSO are classified as a liability, with subsequent changes in the fair value recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The fair value of the DCSO liability decreased by \$3.7 million, with a gain recognised through 'Other income' in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

## Divestments and exit costs

Divestment and exit costs were recognised in relation to a number of transactions. Refer to Note F6 for further details on the individual transactions.

The material elements of the net gain on divestments and exit costs include:

- \$36.1 million net pre-tax gain (including disposal costs) across the divestments
- \$14.4 million pre-tax transaction-related expenses and provisions associated with Downer's ongoing obligations and risks associated with divestments
- Capital losses on which a deferred tax asset has not been previously recognised have been used to fully offset capital gains arising on divestments during the year. A deferred tax asset has not been recognised on remaining carried forward capital losses of \$28.4 million at 30 June 2024 as it is not probable that a future capital gain will arise.

## Transformation and restructure costs

Transformation and restructure costs represent costs incurred following Downer's commencement of the Transformation program to restructure its operating model and review of IT strategy. The material elements of the costs associated with the transformation and restructure are as follows:

- Redundancy and severance costs associated with implementing the new operating model
- Transformation program implementation costs including external advisor costs
- IT transformation costs including development and implementation costs associated new technology platforms.

## Regulatory reviews and legal matters

Regulatory review and legal matters costs were incurred in relation to defending the shareholder class actions filed against Downer during the prior financial year, responding to regulatory reviews, undertaking business conduct review and investigations, and settlement of the 'leaky buildings' claim (for further information see 2023 Financial Statements Note C9 Contingent Liabilities (vi)).

The shareholder class actions claims have been disclosed as a contingent liability in Note C9.

## Impairment, asset write-downs and other

Impairment and other asset write-downs relates to:

- Three asphalt plants following review of the carrying value
- Accelerated amortisation and write-downs in relation to IT assets and discontinuation of IT development programs, and resulting onerous licence contract provisions recognised, where the ongoing usage has been reviewed as part of the cost reduction program and aligned with the Group's new operating model.

## B4. Earnings per share

### Basic earnings per share

The calculation of basic earnings per share (EPS) is based on the profit/loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

	2025	2024
Profit attributable to members of the parent entity used in calculating basic EPS (\$'m)	136.7	69.1
Weighted average number of ordinary shares (WANOS) on issue (m's) <sup>(i)</sup>	670.8	670.4
<b>Basic earnings per share (cents)</b>	<b>20.4</b>	10.3

### Diluted earnings per share

The calculation of diluted earnings per share is based on the following profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares.

	2025	2024
Profit attributable to members of the parent entity used in calculating basic EPS (\$'m)	136.7	69.1
Adjustment of earnings for ROADS dividend paid (\$'m)	12.4	13.0
Profit attributable to members of the parent entity used in calculating diluted EPS (\$'m)	149.1	82.1
Weighted average number of ordinary shares		
– Weighted average number of ordinary shares (WANOS) on issue (m's) <sup>(i) (ii)</sup>	674.0	670.4
– Adjustments for calculation of diluted earnings per share due to ROADS (m's) <sup>(iii)</sup>	30.9	42.5
WANOS used in the calculation of diluted EPS (m's)	704.9	712.9
<b>Diluted earnings per share (cents)<sup>(iv)</sup></b>	<b>20.4</b>	10.3

(i) The WANOS on issue has been adjusted by the weighted average effect of vested executive incentive shares of 319,326 (30 June 2024: 15,703).

(ii) For diluted EPS, the WANOS has been further adjusted by the potential vesting of executive incentive shares.

(iii) The WANOS adjustment is the value of ROADS that could potentially be converted into ordinary shares at the reporting date. It is calculated based on the issued value of ROADS in New Zealand dollars converted to Australian dollars at the spot rate prevailing at the reporting date, which was \$185.7 million (2024: \$183.0 million), divided by the 20-day Volume-Weighted Average Price (VWAP) of the Company's ordinary shares for the period preceding 30 June 2025 discounted by 2.5% according to the ROADS contract terms, which was \$6.02 (2024: \$4.30).

(iv) At 30 June 2025, the ROADS were deemed anti-dilutive and consequently, diluted EPS remained at 20.4 cents per share (2024: 10.3 cents per share).

## B5. Taxation

### (a) Reconciliation of income tax expense

The prima facie income tax expense/(benefit) on the pre-tax result for the year reconciles to the income tax expense in the financial statements as follows:

	2025	2024
	\$'m	\$'m
Profit before income tax	201.1	91.8
Tax using the Company's statutory tax rate	60.3	27.5
Effect of tax rates in foreign jurisdictions	(2.3)	(1.1)
Non-deductible expenses	4.7	0.4
Profits and franked distributions from joint ventures and associates	(11.1)	(1.3)
Non-assessable income	-	(1.1)
Tax effect of divestments	(4.5)	(12.1)
Benefit of unrecognised temporary differences	3.6	-
Over-provision of income tax in previous year	(0.9)	(2.2)
Other items	2.2	(0.4)
<b>Total income tax expense</b>	<b>52.0</b>	<b>9.7</b>
Current tax expense	66.5	41.2
Deferred tax benefit	(14.5)	(31.5)

The 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 year.

### Recognition and measurement

#### Current tax

Current tax assets and liabilities are measured at the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period; this is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

## Deferred tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax and capital losses and tax offsets, to the extent that it is probable that sufficient taxable profits will be available to utilise them.

However, deferred tax assets and liabilities are not recognised for:

- Temporary differences that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination which affects neither taxable income nor accounting profit, and does not give rise to equal taxable and deductible temporary differences
- Temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- Taxable temporary differences arising from goodwill.

During the year, capital losses of approximately \$48.7 million were realised, primarily in connection with the liquidation of Downer EDI Works (Hong Kong) Limited. Previously unrecognised capital losses have been utilised to offset a capital gain arising from the sale of the 29.9% interest in HT Hold Co Pty Ltd. A deferred tax asset of approximately \$4.9 million has been recognised in relation to the anticipated capital gain on the sale of the 49% interest in Keolis Downer, which is expected to complete in late 2025, subject to Foreign Investment Review Board approvals and customary conditions. No DTA has been recognised on the remaining \$28.1 million of unutilised capital losses, as there are currently no foreseeable capital gains against which these losses could be applied.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply in the year when the asset is utilised or liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

## Offsetting deferred tax balances

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

## Tax consolidation

Downer EDI Limited and its wholly owned Australian entities are part of a tax-consolidated group under Australian taxation law. Downer EDI Limited is the head entity in the tax-consolidated group. Entities within the tax-consolidated group have entered into a tax funding agreement and a tax sharing agreement with the head entity. Under the terms of the tax funding agreement, Downer EDI Limited and each of the entities in the tax-consolidated group have agreed to pay (or receive) a tax equivalent payment to (or from) the head entity, based on the current tax liability or current tax asset of the entity.



## International Tax Reform – Pillar Two Model Rules

As a large multinational enterprise, the Group is subject to the Pillar Two rules, which have been enacted in Australia and New Zealand, being the two main jurisdictions in which the Group operates. The rules will apply in Australia for fiscal years beginning from 1 January 2024 and in New Zealand from 1 January 2025. Other jurisdictions in which the Group operates have also implemented or are considering implementing the Pillar Two rules. Specifically, the Pillar Two rules are designed to ensure large multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions in which they operate, imposing an additional tax on profits where the effective tax rate in that jurisdiction falls below the minimum rate of 15%.

Based on current information available for all jurisdictions in which the Group operates, the Group does not expect a material exposure to Pillar Two taxes, and management is not currently aware of any circumstances under which this might change.

The Group has applied the temporary mandatory relief under amendments to IAS 12 issued by the IASB and AASB on 23 May 2023 and 27 June 2023, respectively, from deferred tax accounting for the impacts of Pillar Two at 30 June 2025.

### Key estimates and judgements:

#### Recognition of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax and capital losses and tax offsets, to the extent it is probable that sufficient future taxable profits will be available to utilise them. Estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing, nature and level of future taxable profits.

#### Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Judgement is required to determine the worldwide provision for income taxes and to assess whether deferred tax balances are recognised on the statement of financial position. Changes in circumstances will alter expectations, which may impact the amount of provision for income taxes and deferred tax balances recognised.

(b) Movement in deferred tax balances

2025 \$'m	At 30 June 2024	Recognised in profit or loss	Recognised in other comprehen- sive income and equity	Net foreign currency exchange differences	Assets held for sale	Net balance at 30 June 2025	Deferred tax assets	Deferred tax liabilities
Trade receivables and contract assets	(145.8)	8.6	–	(0.5)	–	(137.7)	–	(137.7)
Property, plant and equipment	10.3	16.4	–	0.1	–	26.8	26.8	–
Right-of-use assets	(120.4)	7.3	–	–	–	(113.1)	–	(113.1)
Lease liabilities	149.5	(9.4)	–	–	–	140.1	140.1	–
Intangible assets	(60.6)	9.1	–	–	–	(51.5)	–	(51.5)
Tax losses and other attributes	8.3	(1.9)	–	–	–	6.4	6.4	–
Trade payables and contract liabilities	24.1	(11.8)	–	–	–	12.3	12.3	–
Employee benefits and other provisions	140.0	(0.6)	1.8	0.3	(4.8)	136.7	136.7	–
Other	(8.2)	(3.2)	3.1	–	–	(8.3)	–	(8.3)
<b>Net deferred tax assets/(liabilities)</b>	<b>(2.8)</b>	<b>14.5</b>	<b>4.9</b>	<b>(0.1)</b>	<b>(4.8)</b>	<b>11.7</b>	<b>322.3</b>	<b>(310.6)</b>
Set-off of deferred taxes							(294.9)	294.9
<b>Net deferred tax assets/(liabilities)</b>						<b>11.7</b>	<b>27.4</b>	<b>(15.7)</b>

2024									
\$'m	At 30 June 2023	Recognised in profit or loss	Recognised in other comprehensive income and equity	Net foreign currency exchange differences	Disposal	Assets held for sale	Net balance at 30 June 2024	Deferred tax assets	Deferred tax liabilities
Trade receivables and contract assets	(134.5)	(11.5)	–	0.2	–	–	(145.8)	–	(145.8)
Property, plant and equipment	(33.0)	43.3	–	(0.1)	0.1	–	10.3	10.3	–
Right-of-use assets	(124.9)	4.5	–	–	–	–	(120.4)	–	(120.4)
Lease liabilities	156.9	(7.4)	–	–	–	–	149.5	149.5	–
Intangible assets	(67.9)	7.3	–	–	–	–	(60.6)	–	(60.6)
Tax losses and other attributes	13.6	(5.3)	–	–	–	–	8.3	8.3	–
Trade payables and contract liabilities	17.8	6.3	–	–	–	–	24.1	24.1	–
Employee benefits and other provisions	132.1	8.9	(0.6)	(0.1)	(0.3)	–	140.0	140.0	–
Other	6.5	(14.6)	(0.2)	0.1	–	–	(8.2)	–	(8.2)
<b>Net deferred tax assets/(liabilities)</b>	<b>(33.4)</b>	<b>31.5</b>	<b>(0.8)</b>	<b>0.1</b>	<b>(0.2)</b>	<b>–</b>	<b>(2.8)</b>	<b>332.2</b>	<b>(335.0)</b>
Set-off of deferred taxes								(312.6)	312.6
<b>Net deferred tax assets/(liabilities)</b>							<b>(2.8)</b>	<b>19.6</b>	<b>(22.4)</b>

## B6. Remuneration of auditor

	2025 \$'000	2024 \$'000
<b>(a) Auditors of the Group – PwC and related network firms</b>		
<b>Audit or review of financial reports</b>	4,466	5,324
<b>Assurance services:</b>		
Other assurance services	370	359
<b>Total assurance services</b>	<b>370</b>	<b>359</b>
<b>Other services:</b>		
Tax services	154	151
Advisory services	–	214
Other services and agreed upon procedures	100	85
<b>Total other services</b>	<b>254</b>	<b>450</b>
<b>(b) Auditors of the Group – KPMG and related network firms</b>		
<b>Audit or review of financial reports</b>	–	1,791
<b>Assurance services:</b>		
Regulatory assurance services	–	38
Other assurance services	–	76
<b>Total assurance services</b>	<b>–</b>	<b>114</b>
<b>Other services:</b>		
Tax services	–	42
<b>Total other services</b>	<b>–</b>	<b>42</b>

The auditor of the Group is PricewaterhouseCoopers (PwC) (2024: PwC for the full year accounts and KPMG for the half year).

PwC's fees for Other Services during the prior financial year included the following amounts for engagements entered prior to PwC's appointment as auditor of the Group in April 2024: Assurance Services nil and Other Services of \$295,653.

KPMG was auditor during the prior financial year until cessation. Refer to the 2024 Annual Report.

## B7. Subsequent events

On 1 July 2025, Downer entered into an agreement for the sale of its 49% interest in Keolis Downer, to the Keolis Group. The transaction is expected to complete in late 2025, subject to Foreign Investment Review Board approval and customary conditions.

On 8 July 2025, the Group repaid its US Private Placement borrowings through available liquidity.

On 31 July 2025, the Group completed the sale of Cleaning New Zealand business to Dimeo. The assets and liabilities of the business were classified as held for sale at year end (refer to Note F7).

On 21 August 2025, the Directors approved a \$230 million on-market share buy-back program.

Outside the above, at the date of this report, there is no other matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

# C\_Operating assets and liabilities

This section provides information relating to the operating assets and liabilities of the Group. Downer has a strong focus on maintaining a strong balance sheet through continued focus on cash conversion. The Group's strategy also considers expenditure, growth and acquisition requirements.

C1 Reconciliation of cash and cash equivalents	C4 Trade payables and contract liabilities	C7 Intangible assets
C2 Trade receivables and contract assets	C5 Property, plant and equipment	C8 Other provisions
C3 Inventories	C6 Right-of-use assets	C9 Contingent liabilities

## C1. Reconciliation of cash and cash equivalents

### (a) Reconciliation of cash flows from operating activities

	Note	2025 \$'m	2024 \$'m
Profit after tax for the year		149.1	82.1
Adjustments for:			
Share of joint ventures and associates' profits net of distributions	F1(a)	(17.0)	8.9
Depreciation on leased assets	C6	140.9	153.3
Depreciation and amortisation of other non-current assets	C5, C7	201.6	192.7
Impairment of other non-current assets	B3	53.0	69.1
Amortisation of deferred borrowing costs		7.2	4.0
Net gain on sale of property, plant and equipment		(1.1)	(5.0)
Net loss/(gain) on disposal of businesses	B3	20.8	(21.7)
Movement in current tax balances		21.1	29.6
Movement in deferred tax balances		(14.6)	(30.9)
Movements on net defined benefit plan obligation	D2	0.9	14
Share-based employee benefits expense	D1	3.7	3.2
Other		(5.5)	(1.5)
		<b>411.0</b>	<b>403.1</b>
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:			
(Increase)/decrease in assets:			
Current trade receivables and contract assets		76.2	91.7
Current inventories		(8.3)	19.1
Other current assets		(7.1)	(0.3)
Non-current trade receivables and contract assets		(10.0)	(6.3)
Other non-current assets		2.3	(9.3)
Increase/(decrease) in liabilities:			
Current trade payables and contract liabilities		(19.7)	(134.4)
Current financial liabilities		5.0	(20.4)
Current provisions		(18.5)	103.5
Non-current trade payables and contract liabilities		(16.5)	(4.4)
Non-current financial liabilities		(2.0)	15.8
Non-current provisions		1.0	3.9
		<b>2.4</b>	<b>58.9</b>
<b>Net cash generated by operating activities</b>		<b>562.5</b>	<b>544.1</b>

## (b) Reconciliation of liabilities from financing activities

2025 \$'m	1 July 2024	Net cash flows <sup>(i)</sup>	Lease net additions and remeasure <sup>(ii)</sup>	Other non-cash changes	Disposal group held for sale	30 June 2025
Interest bearing loans	1,294.0	(230.1)	–	21.1	–	1,085.0
Lease liabilities	511.9	(147.6)	122.2	(6.1)	(28.4)	452.0
<b>Total liabilities from financing activities</b>	<b>1,805.9</b>	<b>(377.7)</b>	<b>122.2</b>	<b>15.0</b>	<b>(28.4)</b>	<b>1,537.0</b>

2024 \$'m	1 July 2023	Net cash flows <sup>(i)</sup>	Lease net additions and remeasure <sup>(ii)</sup>	Other non-cash changes	Disposal of businesses and held for sale	30 June 2024
Interest bearing loans	1,596.4	(296.1)	–	(6.3)	–	1,294.0
Lease liabilities	537.2	(163.5)	150.6	(12.0)	(0.4)	511.9
<b>Total liabilities from financing activities</b>	<b>2,133.6</b>	<b>(459.6)</b>	<b>150.6</b>	<b>(18.3)</b>	<b>(0.4)</b>	<b>1,805.9</b>

(i) Gross cash flow movements are disclosed in the cash flow statement.

(ii) Remeasurement amount is disclosed in Note C6.

## (c) Cash and cash equivalents

	2025 \$'m	2024 \$'m
For the purpose of the statement of cash flows, cash and cash equivalents comprises:		
Cash	832.1	768.7
Short-term deposits	1.7	68.9
<b>Total cash and cash equivalents</b>	<b>833.8</b>	<b>837.6</b>

Cash and short-term deposits includes \$43.6 million (2024: \$52.2 million) relating to demand deposits for retentions in accordance with Australian and New Zealand contractual requirements. This cash is not available for general use.

## C2. Trade receivables and contract assets

	2025 \$'m	2024 \$'m
Trade receivables	541.6	613.8
Contract assets <sup>(i)</sup>	1,405.6	1,352.4
	1,947.2	1,966.2
Other receivables	33.2	62.3
Loss allowance on trade receivables and contract assets arising from contracts with customers	(22.5)	(20.7)
<b>Total trade receivables and contract assets</b>	<b>1,957.9</b>	<b>2,007.8</b>
<b>Included in the financial statements as:</b>		
Current <sup>(i)</sup>	1,802.7	1,862.7
Non-current	155.2	145.1

(i) Current contract assets: \$1,250.4 million (2024: \$1,208.1 million).



## Allowance for credit losses:

The Group's trade receivables and contract assets are disaggregated based on their expected credit risks between Government and Private (non-government) & Government related customers. An analysis of the balances and loss allowance is presented below:

	2025 \$'m	2024 \$'m
Government – not due	952.3	834.5
Government – less than 90 days past due	22.8	25.8
Government – more than 90 days past due	2.8	5.2
Private & Government related – not due	913.1	1,029.5
Private & Government related – less than 90 days past due	39.5	49.5
Private & Government related – more than 90 days past due	16.7	21.7
<b>Total gross carrying amount</b>	<b>1,947.2</b>	<b>1,966.2</b>
Credit impaired – specific allowance	18.1	18.2
Not credit impaired – lifetime expected credit loss	4.4	2.5
<b>Loss allowance on trade receivables and contract assets arising from contracts with customers</b>	<b>22.5</b>	<b>20.7</b>

The Group has policies to manage its overall exposure to credit risk as set out in Note G2(e).

In assessing lifetime expected credit losses (ECL) as at 30 June 2025, the Group has considered the risk arising from the general economic environment such as inflation, interest rates and potential defaults occurring within the contracting environment in which Downer partially operates. The Group has assessed ECLs by segmenting the portfolio of trade receivables and contract assets by customer (i.e. Government and Private & Government related) to better assess inherent credit risk. The Group defines counterparties as 'Government' if the contract is with a Federal, State or Local Government body. Any counterparties other than those defined as 'Government', are classified as 'Private & Government related', and include sectors heavily regulated by Government organisations (such as Gas and Electricity), Blue-Chip listed companies, contracts run under the Public-Private-Partnership model (PPPs) for which Government organisations are often the end customer), large multinational companies, network infrastructure companies, as well as other private sector businesses.

The credit risk associated with Government balances is considered to be negligible (2024: negligible) due to the high creditworthiness of the counterparties. No 'Government' related balances are currently in default.

For 'Private & Government related' balances, the Group has assessed the potential credit risk of default on key customers utilising credit ratings provided by financial institutions. For those 'Private & Government related' receivables/contract assets that are ultimately backed by the Government or a Government body, the credit risk is considered to be low or negligible. For those counterparties that are currently in default or a risk of default is determined, the Group has recognised specific impairment/credit allowances. As at 30 June 2025, the \$22.5 million (2024: \$20.7 million) loss allowance includes a specific provision, against balances not due, of \$18.1 million (2024: \$18.1 million) in relation to Probuild Pty Ltd as this customer went into administration in 2022.

Based on the above methodology and in reference to past default experience, the ECLs have increased from \$2.5 million at 30 June 2024 to \$4.4 million at 30 June 2025.

Credit losses on 'Private & Government related' counterparty balances have historically averaged less than 1%. The allowance for credit losses, excluding specific provisions, is 0.5% (2024: 0.2%) of the trade receivables and contract assets.

## Recognition and measurement

### Trade receivables

Trade receivables and other receivables are held with the objective of collecting contractual cash flows and are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less an allowance for impairment.

### Contract assets

Contract assets primarily relate to the Group's rights to consideration for work performed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights have become unconditional. This usually occurs when the Group issues an invoice in accordance with contractual terms to the customer.

Payments from customers are received based on a billing schedule/milestone basis, as established in our contracts.

### Costs to obtain or fulfil contracts

Costs incremental to obtaining a contract and that are expected to be recovered or are explicitly chargeable to the customer regardless of whether the contract is obtained are capitalised.

### Financial assets and liabilities

AASB 9 *Financial Instruments* (AASB 9) contains a classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

### Fair value

Due to the short-term nature of these financial rights, the carrying amounts of trade receivables and contract assets are considered to represent their fair values.

### Impairment

The Group has applied the simplified approach to recognise lifetime expected credit losses for trade receivables and contract assets as permitted by AASB 9.

The Group considers the relevant credit risk associated with disaggregated portions of the financial assets and after considering specific provisions against counterparties and defaults, applies an expected credit loss (ECL) percentage derived from recorded historic credit losses associated with specific population. The key disaggregation of the balances is between those that are backed by Government funding and those that are not and between those that are current or are overdue less than 90 days or become more than 90 days overdue. The Group exercises considerable judgement about how economic factors (such as interest rates and inflation) affect the ECL of each of the disaggregated balances independently, and applies a premium as deemed appropriate to adjust the historically determined default rates to present the total expected credit losses on the current balances.

This impairment model applies to financial assets measured at amortised cost or FVOCI (except for investments in equity instruments).

#### Key estimate: Credit risk

Credit risk represents the risk that a counterparty will fail to perform an obligation causing a financial loss to the Group. The Group minimises credit risk by undertaking transactions with a large number of customers in various industries and geographical areas. A credit risk management policy is in place and exposure to credit risk is monitored on an ongoing basis.

The Group uses historical information as a basis for the estimation of expected credit losses and then adjusts its assessment of credit risk based on current macro/micro-economic conditions; however, judgement is applied in doing this assessment.

### C3. Inventories

	2025 \$'m	2024 \$'m
Raw materials	45.9	43.8
Work in progress	6.2	6.6
Finished goods	54.7	43.8
Components and spare parts	94.2	116.3
<b>Total inventories</b>	<b>201.0</b>	<b>210.5</b>

#### Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The Group has considered the net realisable value of inventories at reporting date. An inventory provision is recognised where the net realisable value from the sale of inventory is estimated to be lower than carrying value.

### C4. Trade payables and contract liabilities

	2025 \$'m	2024 \$'m
Trade payables	628.6	766.6
Contract liabilities	249.4	246.5
Accruals	1,091.7	882.3
Other payables	133.6	206.3
<b>Total trade payables and contract liabilities</b>	<b>2,103.3</b>	<b>2,101.7</b>
Included in the financial statements as:		
Current	2,059.1	2,041.1
Non-current	44.2	60.6

#### Recognition and measurement

##### Trade payables, accruals and other payables

Trade payables, accruals and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

##### Contract liabilities

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when work is performed under the contract.

If the net amount of the Group's rights to consideration for work performed after deduction of progress payments received is negative, the difference is recognised as a liability and included as part of Contract liabilities.

Of the Contract liabilities balance of \$246.5 million at 30 June 2024, substantially all of this revenue has been recognised in the current year.

##### Fair value

Due to the short-term nature of these financial obligations, their carrying amounts are estimated to represent their fair values.

## C5. Property, plant and equipment

2025		Freehold land and buildings	Plant, equipment and leasehold improvements	Total
\$'m	Note			
Balance as at 1 July 2024		138.1	703.1	841.2
Additions		3.1	113.8	116.9
Disposals at net book value		(0.1)	(10.4)	(10.5)
Depreciation expense		(2.7)	(108.5)	(111.2)
Impairment charge <sup>(i)</sup>	B3	(17.4)	(29.3)	(46.7)
Internal transfers		0.3	(3.9)	(3.6)
Transferred to disposal group assets held for sale	F7	-	(2.1)	(2.1)
Net foreign currency exchange differences at net book value		0.1	2.7	2.8
<b>Net book value as at 30 June 2025</b>		<b>121.4</b>	<b>665.4</b>	<b>786.8</b>
Cost		176.7	1,720.9	1,897.6
Accumulated depreciation and impairment		(55.3)	(1,055.5)	(1,110.8)

2024		Freehold land and buildings	Plant, equipment and leasehold improvements	Total
\$'m				
Balance as at 1 July 2023		137.7	797.0	934.7
Additions		3.3	119.2	122.5
Disposals at net book value		-	(17.6)	(17.6)
Disposal of businesses		(0.1)	(18.8)	(18.9)
Depreciation expense		(2.7)	(120.4)	(123.1)
Impairment charge <sup>(ii)</sup>		-	(54.5)	(54.5)
Transferred to disposal group assets held for sale		-	(1.0)	(1.0)
Net foreign currency exchange differences at net book value		(0.1)	(0.8)	(0.9)
<b>Net book value as at 30 June 2024</b>		<b>138.1</b>	<b>703.1</b>	<b>841.2</b>
Cost		173.4	1,703.7	1,877.1
Accumulated depreciation and impairment		(35.3)	(1,000.6)	(1,035.9)

(i) Impairment recognised following review of the carrying value of fixed assets including buildings and equipment associated with a Rail site in the Transport segment. Refer to Notes B3 and C6.

(ii) Impairment recognised following review of the carrying value of three Asphalt plants in the Transport segment.

## Recognition and measurement

The value of property, plant and equipment is measured as the cost of the asset less accumulated depreciation and impairment.

The expected useful life and depreciation methods used are listed below:

Item	Useful life	Depreciation method
Freehold land	n/a	No depreciation
Buildings	20 to 50 years	Straight-line
Leasehold improvements	Lease term	Straight-line
Plant and equipment – power and gas	Working hours	Based on hours of use
Plant and equipment – other	3 to 25 years	Straight-line

### Key estimate: Useful lives

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leasehold improvements) and turnover policies. In addition, the condition of the assets is assessed at least annually and considered against the remaining useful life. The residual value and useful life of assets is reviewed at least at each financial year end.

## C6. Right-of-use assets

The Group leases many assets including property, motor vehicles and plant and equipment. Information about leased assets for which the Group is a lessee is presented below:

2025 \$'m	Note	Leasehold property	Motor vehicles	Plant and equipment	Total
Balance as at 1 July 2024		218.8	110.4	83.7	412.9
Additions		5.3	54.6	27.4	87.3
Remeasure		10.1	11.3	13.5	34.9
Depreciation expense		(47.1)	(59.8)	(34.0)	(140.9)
Impairment charge <sup>(i)</sup>	B3	(1.4)	–	–	(1.4)
Transferred to disposal group assets held for sale	F7	(2.0)	(7.3)	(16.5)	(25.8)
Disposals at net book value		(0.7)	(4.6)	(1.7)	(7.0)
Net foreign currency exchange differences at net book value		1.0	0.5	1.0	2.5
<b>Net book value as at 30 June 2025</b>		<b>184.0</b>	<b>105.1</b>	<b>73.4</b>	<b>362.5</b>
Cost		444.1	292.6	197.7	934.4
Accumulated depreciation and impairment		(260.1)	(187.5)	(124.3)	(571.9)

(i) Impairment recognised following review of the carrying value of Right-of-use assets related to an office lease termination in the Unallocated Segment and \$0.3 million associated with a Rail site in the Transport segment. Refer to Note B3.

2024 \$'m	Leasehold property	Motor vehicles	Plant and equipment	Total
Balance as at 1 July 2023	230.0	110.9	87.6	428.5
Additions	23.7	58.6	27.9	110.2
Remeasure	19.2	10.7	10.5	40.4
Depreciation expense	(49.3)	(65.6)	(38.4)	(153.3)
Impairment charge <sup>(i)</sup>	–	–	(14)	(14)
Transferred to disposal group assets held for sale	–	(0.1)	–	(0.1)
Disposals at net book value	(4.5)	(3.8)	(2.3)	(10.6)
Disposal of businesses	–	(0.2)	–	(0.2)
Net foreign currency exchange differences at net book value	(0.3)	(0.1)	(0.2)	(0.6)
<b>Net book value as at 30 June 2024</b>	<b>218.8</b>	<b>110.4</b>	<b>83.7</b>	<b>412.9</b>
Cost	466.5	303.8	217.5	987.8
Accumulated depreciation and impairment	(247.7)	(193.4)	(133.8)	(574.9)

(i) Impairment recognised following review of the carrying value of three Asphalt plants in the Transport segment.

## Recognition and measurement

The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives and any initial direct costs incurred by the lessee
- An estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset.

Subsequently the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is depreciated over the shorter period of the lease term and the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflect that the Group will exercise a purchase option, the asset will be depreciated from the commencement date to the end of the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Where the initially anticipated lease term is subsequently reassessed, any changes are reflected in a remeasurement of the lease liability and a corresponding adjustment to the asset.

If the recoverable amount of a right-of-use asset is less than its carrying value, an impairment charge is recognised in the profit or loss, and the carrying value of the asset is written down to its recoverable amount. Should the recoverable amount increase in future periods the carrying value may be adjusted to the lower of the recoverable value or the amortised cost of the asset had it not been impaired.

### Key estimate and judgement:

#### Useful lives (lease terms)

The estimation of the useful lives has been based on the assets' lease terms. There are a number of judgements made in determining the lease terms as noted in the Key estimates and judgements section of Note E3.

The expected useful life of the asset includes a judgement as to whether available extension changes will be exercised. Changes to this assessment are reflected as a remeasurement, with a corresponding adjustment for the liability.

#### Recoverable value

In assessing whether a right-of-use asset is impaired, estimation is required to determine the recoverable value of the asset. For corporate right-of-use assets, impairment is assessed against the recoverable amount of cash-generating units to which they are allocated.

For surplus and vacated right-of-use assets an impairment test is performed for the individual right-of-use asset, including consideration of estimated sub-lease income.



## C7. Intangible assets

2025 \$'m	Note	Goodwill	Customer contracts and relationships	Brand names on acquisition	Intellectual property on acquisition	Software and system development	Total
Balance as at 1 July 2024		1,762.3	130.9	51.1	1.2	174.6	2,120.1
Additions		–	–	–	–	3.4	3.4
Amortisation expense		–	(21.7)	(5.6)	(0.2)	(62.9)	(90.4)
Impairment charge <sup>(i)</sup>	B3	–	–	–	–	(4.9)	(4.9)
Internal transfers		–	–	–	–	3.6	3.6
Transferred to disposal group assets held for sale	F7	–	–	–	–	(0.2)	(0.2)
Disposal of businesses		–	(2.8)	–	–	–	(2.8)
Net foreign currency exchange differences at net book value		1.7	–	–	0.1	0.2	2.0
<b>Net book value as at 30 June 2025</b>		<b>1,764.0</b>	<b>106.4</b>	<b>45.5</b>	<b>1.1</b>	<b>113.8</b>	<b>2,030.8</b>
Cost		2,564.4	492.9	79.0	2.4	522.5	3,661.2
Accumulated amortisation and impairment		(800.4)	(386.5)	(33.5)	(1.3)	(408.7)	(1,630.4)

(i) \$4.9 million impairment recognised after reviewing of the carrying value of assets as part of technology simplification program in the Energy & Utilities segment. Refer to Note B3.

2024 \$'m	Goodwill	Customer contracts and relationships	Brand names on acquisition	Intellectual property on acquisition	Software and system development	Total
Balance as at 1 July 2023	1,762.8	150.3	55.0	1.4	210.8	2,180.3
Additions	–	–	–	–	23.6	23.6
Amortisation expense	–	(19.0)	(3.9)	(0.2)	(46.5)	(69.6)
Impairment charge <sup>(ii)</sup>	–	–	–	–	(13.2)	(13.2)
Disposal of businesses	–	(0.4)	–	–	–	(0.4)
Net foreign currency exchange differences at net book value	(0.5)	–	–	–	(0.1)	(0.6)
<b>Net book value as at 30 June 2024</b>	<b>1,762.3</b>	<b>130.9</b>	<b>51.1</b>	<b>1.2</b>	<b>174.6</b>	<b>2,120.1</b>
Cost	2,562.7	515.2	78.8	2.4	507.0	3,666.1
Accumulated amortisation and impairment	(800.4)	(384.3)	(27.7)	(1.2)	(332.4)	(1,546.0)

(ii) \$13.2 million impairment of IT assets associated with discontinued IT development programs in the Transport and Unallocated segment.

## Recognition and measurement

### Goodwill

Goodwill acquired in a business combination is measured at cost and subsequently measured at cost less any impairment losses. The cost represents the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

### Customer contracts and relationships on acquisition

Customer contracts and relationships acquired as part of a business combination are recognised separately from goodwill and are carried at fair value at date of acquisition less accumulated amortisation and any accumulated impairment losses.

## Brand names on acquisition

Brand names acquired as part of a business combination are recognised separately from goodwill and are carried at fair value at date of acquisition less accumulated amortisation and any accumulated impairment losses.

## Intellectual property on acquisition

Intellectual property acquired as part of a business combination is recognised separately from goodwill and is carried at fair value at date of acquisition less accumulated amortisation and any accumulated impairment losses.

## Intellectual property, software and system development

Intangible assets acquired by the Group, including intellectual property (purchased patents and trademarks) and software are initially recognised at cost, and subsequently measured at cost less accumulated amortisation and any impairment losses.

Development costs that are directly attributable to the design and testing of an identifiable internally generated intangible asset controlled by the Group are recognised as an intangible asset where the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use
- Management intends to complete the intangible asset and use or sell it
- There is an ability to use or sell the intangible asset
- It can be demonstrated how the internally generated intangible asset will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the intangible asset are available, and
- The expenditure attributable to the intangible asset during its development and testing can be reliably measured.

The costs capitalised include consulting and direct labour costs. Costs incurred in determining project feasibility are expensed as incurred.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

## Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date.

For SaaS arrangements, the Group assesses if the contract will provide a resource that it can 'control' to determine whether an intangible asset is present. If the Group cannot determine control of the software, the arrangement is deemed a service contract and any implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when incurred. SaaS implementation costs have been specified as individually significant items. Refer to Note B3.

## Amortisation

Intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives. The estimated useful lives are generally:

Item	Useful life
Customer contracts and relationships	1-20 years
Brand names	20 years
Intellectual property acquired	15-20 years
Software and system development <sup>(i)</sup>	1-15 years
Other intangible assets	20 years

(i) Certain software and system development asset useful lives have been revised during the period and accelerated amortisation recognised. Refer to Note B3.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

## Impairment of assets

The Group assesses at each reporting date, whether there are any indicators that assets may be impaired. If any indicators exist, the Group estimates the recoverable amount of the asset.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units or CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill impairment testing is discussed below.

In relation to the Group's other assets, no impairment indicators were identified in the current period. In the prior period a number of impairment indicators were identified prior to the testing of CGUs. Therefore, these prior period assets were tested individually for impairment. The impairment charges recognised in the prior period are described in Note B3.

### Allocation of goodwill to Groups of Cash-Generating units (CGUs)

Goodwill has been allocated for impairment testing purposes to Groups of CGUs that represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

As outlined in Note B1, on 1 July 2024, the Industrial & Energy (I&E) CGU was combined with the Utilities business and was subsequently renamed as Energy & Utilities. These combined businesses now reflect a newly identified CGU.

The goodwill allocation to each of the Groups of CGUs is presented below:

CGU	Segment	Carrying value of consolidated goodwill	
		2025 \$'m	2024 \$'m
Transport and Infrastructure	Transport	327.4	327.1
Rail & Transit Systems	Transport	55.3	55.3
Utilities	Utilities	–	350.8
Energy & Utilities	Energy & Utilities	505.6	–
Social Infrastructure & Citizen Services	Facilities	813.4	813.7
Industrial & Energy	Facilities	–	154.4
NZ Building	Transport	62.3	61.0
		<b>1,764.0</b>	<b>1,762.3</b>

## Key estimates and judgements: Intangible assets

### Impairment of assets

Determination of potential impairment requires an estimation of the recoverable amount of each of the CGUs to which the goodwill and intangible assets with indefinite useful lives are allocated. Key assumptions requiring judgement include projected cash flows, discount rates, budgeted revenue growth rate, EBIT margin, and long-term growth rate.

Projected cash flows include assumptions on:

- Contract awards, extensions and renewals, including potentially significant individual contracts (refer to separate key estimate and judgement below)
- Contracts assumed to continue to term with no exercise of termination for convenience clauses in contracts
- Inflation including wage inflation, where the Group's exposure to inflationary pressures in labour and other costs in its contracts is partially mitigated by contractual mechanisms and allowances for price movements
- No change in government regulation, including in relation to carbon emissions.

### Contract awards, extensions and renewals or continuation

Estimated cash flows include assumptions on:

- New contract awards from projects being tendered or expected to be tendered in the future and assumptions on future win rates of projects not specifically identified
- Contracts with existing customers are extended via exercise of options in existing contracts or negotiated extension or renewal on reasonably consistent terms
- Contracts assumed to continue to term with clauses allowing customers to terminate for convenience assumed not be exercised, noting customers may not be able to find alternative suppliers and the Group does not currently expect any terminations.

The assumptions above may include significant individual contracts that if not won, extended or renewed, or if terminated early, it is reasonably possible that this may result in an adjustment to the carrying amount of CGUs.

Social Infrastructure & Citizen Services has made assumptions in relation to new contract awards and contract extensions where it is reasonably possible that in the event Social Infrastructure & Citizen Services is not successful that adjustment to the respective CGUs' carrying value could be required.

### Estimation of useful life

The estimation of the economic useful life of software is initially determined based on historical experience. The useful lives of intangible assets recognised on business combinations are independently determined based on detailed reviews of similar assets and underlying factors. These useful lives are regularly reassessed for indicators of any change to the initial assessments. If the economic useful lives are determined to have changed, the amortisation of the assets is adjusted to reflect the new expected useful life, impacting the future amortisation recognised.

## Recoverable amount testing

The recoverable amount is defined as the higher of a cash-generating unit's fair value less costs of disposal (FVLCD) and its value in use (VIU). The recoverable amounts of all of the CGUs have been assessed using a VIU methodology in 2024 and 2025. For more information on 2024 goodwill impairment testing, refer to the 2024 Annual Report.

## Value in use calculation

In assessing VIU, the estimated future cash flows are discounted to their present value using a discount rate that uses current market assessments of the time value of money and the risks specific to the CGU.

Cash flow projections are determined utilising budgeted Earnings Before Interest and Tax (EBIT) less capital maintenance spending, corporate cost allocation, tax payments and working capital changes to provide a 'free cash flow' estimate.

This calculated 'free cash flow' is then discounted to its present value using a post-tax discount rate with consideration given to the estimated Weighted Average Cost of Capital for the Group, adjusted for business-specific risks of the CGU.

In the current year, the Group has determined the recoverable amount using cash flow projections based on the FY26 budget and business plan for FY27 to FY30, as approved by the Board. The Group assumes a long-term growth rate of 2.5% in the terminal year.

## Results of impairment testing

For all CGUs, the recoverable values are greater than the carrying value of their operating assets. No impairment has been identified.

For the Social Infrastructure & Citizen Services CGU, the 2025 trading performance has significantly improved following a number of strategic divestment and sustainable profit improvement initiatives resulting in an increased in the Group's valuation of the CGU. Uncertainty surrounding the renewal and award pipeline of existing and new contracts remains, which have been assessed through scenario analysis of contract award and contract extensions not occurring. The Group has determined that the CGU's carrying value is recoverable.

## Recoverable amount testing – Key assumptions

The table below summarises the key assumptions utilised in the VIU discounted cash flow models.

	2025				2024			
	Revenue Growth <sup>(i)</sup>	EBIT margin <sup>(ii)</sup>	Long-term growth rate	Discount rate (post-tax) <sup>(iii)</sup>	Revenue Growth <sup>(i)</sup>	EBIT margin <sup>(ii)</sup>	Long-term growth rate	Discount rate (post-tax)
Transport & Infrastructure	2.6 %	9.2 %	2.5 %	9.2 %	1.8 %	8.1 %	2.5 %	8.9 %
Rail & Transit Systems	(0.1)%	8.1 %	2.5 %	8.9 %	(3.2)%	8.0 %	2.5 %	8.7 %
Energy & Utilities (formerly Utilities)	7.1 %	8.6 %	2.5 %	9.3 %	3.0 %	6.7 %	2.5 %	9.0 %
Social Infrastructure & Citizen Services	3.7 %	6.8 %	2.5 %	8.9 %	1.1 %	5.1 %	2.5 %	8.7 %
Industrial & Energy					5.2 %	7.0 %	2.5 %	9.0 %
NZ Building	5.7 %	3.1 %	2.5 %	9.3 %	(0.7)%	2.9 %	2.5 %	9.1 %

(i) Revenue growth is expressed as the compound annual growth rate (CAGR) from FY25 to terminal year based on the CGU's business plan.

(ii) EBIT margin represents the terminal year forecast margin based on the CGU's business plan.

(iii) Pre-tax discount rates are 12.6% (Transport & Infrastructure), 11.6% (Rail & Transit Systems), 12.2% (Energy & Utilities), 11.8% (Social Infrastructure & Citizen Services) and 11.7% (NZ Building).

## (i) Projected cash flows – including budgeted revenue and EBIT margin

### Value in use calculations

#### Cash flow forecasts

The cash flow projections through to the terminal year are based on the Group's past experience and assessment of economic and regulatory factors affecting the business in which the Downer businesses operate.

In preparing the impairment models in 2025, the Group considered the experience in the last 12-months results in developing the cash flow forecasts.

Specifically, for each CGU, the Group considered the following:

- Transport & Infrastructure has seen ongoing strength in the NZ road maintenance with ongoing investment in maintaining ageing infrastructure and response to weather events. This investment is expected to continue with most of the NZ State highway network contracts in a rebid phase where we have assumed renewal of a consistent share of renewed contracts. The NZ transport project sector is in a transition state as we complete a number of major projects and prepare for the next round of government investment in key infrastructure projects. The Australian market for road surfacing has continued to be challenging during FY25 with volumes remaining subdued from historic averages. There are opportunities in the Australia maintenance market and pavement surfacing projects for us to build our business in these areas. The overall outlook for revenue growth is positive with a focus on thorough opportunity, bid and delivery governance. Revenue growth combined with margin uplift and cost optimisation are a key part of our comprehensive continuous improvement framework to continue improving margin returns into the future. We have a clear asset investment strategy to invest in key assets with a drive on improving return on investment and meeting sustainability goals.

- Rail & Transit Systems outlook is expected to benefit from a range of opportunities resulting in a change in the portfolio mix with increasing contribution from manufacturing projects, reduction in relatively lower margin Passenger Refurbishment works and relatively higher margin Emerging Market projects. Significant market opportunities exist during the forecast period with upcoming government rolling stock investment programs.
- Energy & Utilities cash flow forecast outlook is positive as the business turn-around strategy and margin improvement initiatives continue to improve CGU performance. Forecast revenue growth is expected in major transmission projects, and broader infrastructure investment in renewables, water services and resources. The margin is expected to continue to improve as a result of overhead cost reduction initiatives and project margin recoveries in the pipeline as underperforming/loss-making contracts are completed.
- Social Infrastructure & Citizen Services has performed well with EBIT margins improving significantly following a number of strategic divestment and sustainable profit improvement initiatives that commenced during 2024. The forecast revenue growth rate reflects a return to normal asset maintenance cycles, as well as a return of government spending following a slight retraction during an election year. EBIT margin is expected to improve in the short term, reflecting the full year impact of low margin and high revenue businesses that have been successfully divested, as well as a continued focus on margin improvement and cost reduction programs. Certain assumptions have been made about the renewal of significant contracts and the award of new contracts.
- New Zealand Building cash flows forecasts reflect an expected medium-term revenue recovery in line with expectations of the broader New Zealand construction market including government investment in key Health and Education infrastructure. EBIT margin is expected to increase marginally over the forecast period. The Auckland Airport project underpins the secured work over the forecast period.

## (ii) Long-term growth rates

The long-term annual growth rates, applicable for the periods after which detailed forecasts have been prepared, are based on the long-term expected GDP rates for the country of operation, adjusted as necessary to reflect industry-specific considerations. The Group assumes a long-term growth rate of 2.50% (FY24: 2.50%) to allow for organic growth on the existing asset base.

## (iii) Discount rates

Discount rates reflect the Group's estimate of the time value of money and risks associated with each CGU. In determining the appropriate discount rate for each CGU, consideration has been given to the estimated weighted average cost of capital (WACC) for the Group adjusted for country and business risks specific to that CGU. The post-tax discount rate is applied to post-tax cash flows that include an allowance for tax based on the respective jurisdiction's tax rate. This method is used to approximate the requirement of the accounting standards to apply a pre-tax discount rate to pre-tax cash flows.

Compared to 2024, WACCs have increased between 26 to 31 basis points for the Australian CGUs and 26 basis points for the New Zealand group of CGUs. This resulted in 2025 post-tax discount rates to be between 8.9% and 9.3% (June 2024: between 8.7% and 9.1%). The increase is mainly due to assessed increases in the sensitivity of the Group's share price relative to market movements (observable Beta).

## (iv) Budgeted capital expenditure

The expected cash flows for capital expenditure are based on planned future purchases and current asset profile.

The amounts included in the terminal year calculation are for maintenance capital and leases used for existing plant and replacement of plant as it is retired from service. The resulting expenditure has been compared against the annual depreciation charge to confirm that it is reasonable.

## (v) Budgeted working capital

Working capital has been maintained at a level required to support the business activities of each CGU, considering changes in the business cycle. It has been assumed to be in line with historic trends given the level of operating activity.

## (vi) Corporate costs

Corporate costs, as well as corporate assets, have been allocated across each CGU.

## Impact of climate change

The Group's approach to Environmental, Social and Governance (ESG) risks including those related to climate change is discussed in Downer's Climate Statement contained in the section 'Climate Statement' of this report (page 56).

For impairment assessment the Group has assessed the following:

- Physical risks to Downer's non-current assets, including key sites and locations, arise from events such as extreme rainfall, prolonged exposure to rain and severe weather. The Group estimates physical climate change impact can lead to downtime and project delays, increasing operational costs and/or impacting assets. Based on the previous assessments made impact was considered to be immaterial to the Group's future cash flows. Whilst prolonged periods of extreme weather can impact short-term prospects, the assessment indicates Downer is resilient to physical risks due to the Group operating across multiple industries and diverse locations, insurance coverage, contract pass through mechanisms and business opportunities arising from increased government and private spending on infrastructure due to the same extreme weather events.
- Transition risks are primarily associated with the Group's current emissions profile. The principal sources of Scope 1 and 2 carbon emissions are liquid fuels (including subcontractor usage) and asphalt plant burners (79%), gas for asphalt plants and ancillary use (10%) and electricity (11%). Transition risks include the impact of carbon pricing legislation, direct price increases of equipment and fuel usage.
- Vehicle emissions stem from both internal operations and logistics suppliers. The Group's strategy to reduce these emissions focuses on the potential use of lower emission fuels and a phased transition to alternative fuel (lower emissions) vehicles. This transition will occur gradually, with replacements aligned with lease renewals and procurement for new contracts. Light vehicles are expected to transition sooner than heavy vehicles, contingent on the availability of alternative fuels or recharging infrastructure, especially in remote areas, and advances in heavy vehicle technology. The Group assesses that any additional cost as a result of a requirement by customers to specify use of low or no emission vehicles in advance of wider adoption would be recoverable from the customer. There is no material impact on current carrying value of existing vehicle fleet.
- Emissions from fuel, gas and electricity are primarily generated by asphalt production, road paving and maintenance. The Group continues to consider solar panels and explore the use of alternative fuels in asphalt production. However, the transition to alternative fuels will depend on technological advancements and availability at scale. Currently, asphalt plants are not covered by the Australian Safeguard Mechanism, meaning they are not required to reduce emissions below a decreasing baseline, which would otherwise impose additional direct costs or necessitate purchasing carbon credits. The Group anticipates that customer-driven requirements to offset and/or reduce emissions would be significantly recoverable from the customer. There is no material impact on the current carrying value of asphalt plants.

The Group has identified that capturing opportunities relating to the energy transition and decarbonisation is a core component of its strategic plan.

## Sensitivities

For all CGUs, the base line modelling was subject to sensitivity analyses around discount rate, long-term growth rate and cash flow assumptions.

Should the scale of any CGU decline as a result of change in a key assumption, it is likely that the Group would review the corporate and overhead structures to ensure they are appropriate for the scale of business and opportunities available.

For all CGUs, except Social Infrastructure and Citizen Services, management believe that any reasonable change in the key assumptions would not cause the carrying value of the CGUs to exceed their recoverable amount.

For Social Infrastructure & Citizen Services it is reasonably possible that a change in the key assumptions would cause the CGU's carrying amount to exceed its recoverable amount. The forecast cash flows include significant existing contracts that are subject to tender processes in the short to medium term. These contract renewal risks and/or potential risk of scope modifications could result in an impairment.



## C8. Other provisions

2025 \$'m	Note	Decommissioning and restoration	Onerous contracts	Warranties and other	Total
Balance as at 1 July 2024		30.0	44.7	114.1	188.8
Additional provisions recognised		9.6	4.9	42.7	57.2
Unused provisions reversed		–	(0.5)	(22.4)	(22.9)
Utilisation of provisions		(1.4)	(35.0)	(36.5)	(72.9)
Disposal of businesses		–	–	5.1	5.1
Transferred to disposal group assets held for sale	F7	(6.9)	–	–	(6.9)
Net foreign currency exchange differences		0.1	–	0.4	0.5
<b>Balance as at 30 June 2025</b>		<b>31.4</b>	<b>14.1</b>	<b>103.4</b>	<b>148.9</b>
<b>Included in the financial statements as:</b>					
Current		8.1	14.0	95.2	117.3
Non-current		23.3	0.1	8.2	31.6

## Recognition and measurement

### Provisions

Provisions are recognised when:

- The Group has a present obligation as a result of a past event,
- It is probable that resources will be expended to settle the obligation, and
- The amount of the provision can be measured reliably.

#### (i) Decommissioning and restoration

Provisions for decommissioning and restoration are made for close down, restoration and environmental rehabilitation costs, including the cost of dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas.

Future rectification costs are reviewed annually and any changes are reflected in the present value of the rectification provision at the end of the reporting period.

The provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### (ii) Onerous contracts

Provisions include amounts recognised in relation to onerous customer contracts.

The onerous contract provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The onerous contract provision is measured using the full cost method, based on incremental costs and an allocation of other direct costs.

#### (iii) Warranties and other

Provisions primarily includes amounts recognised for warranties and divestment-related provisions. Warranty provisions are made for the estimated liability on all products still under warranty and provisions for defect liabilities at balance sheet date.

### Key estimates and judgements: Other provisions

#### Decommissioning and restoration

Judgement is required in determining the expected expenditure required to settle rectification obligations at the reporting date, based on current legal requirements, technology and estimates of inflation.

#### Onerous contracts

These provisions have been calculated based on management's best estimate of net cash outflows required to fulfil the contracts. The status of these contracts and the adequacy of provisions are assessed at each reporting date. Any change in the assessment of provisions impacts the results of the business.

#### Warranties and other

The provision is estimated having regard to previous claims experience. For further explanation of judgements on warranty provisions refer to Note B2.

## C9. Contingent liabilities

	Note	2025 \$'m	2024 \$'m
<b>Bonding</b>			
The Group has bid bonds and performance bonds issued in respect of contract performance in the normal course of business for controlled entities	E2	1,240.4	1,318.4

In addition, the Group is called upon to give guarantees and indemnities to counterparties, relating to the performance of contractual and financial obligations (including for controlled entities and related parties). Other than as noted, these guarantees and indemnities are indeterminable in amount.

### Other contingent liabilities

- The Group is subject to design liability in relation to completed design and construction projects. It is not possible to reliably estimate these claims and the Directors are of the opinion that there is adequate insurance to cover this area. No amounts are recognised in the financial statements.
- The Group is subject to ongoing fitness for purpose and defect liability obligations in relation to contracts. It is not possible to reliably estimate these obligations.
- The Group is subject to product liability claims. Provision is made for the potential costs of carrying out rectification works based on known claims and previous claims history.
- Controlled entities have entered into various joint arrangements under which the controlled entity is jointly and severally liable for the obligations of the relevant joint arrangements.
- The Group carries the normal contractors' and consultants' liability in relation to services, supply and construction contracts (for example, liability relating to professional advice, design, completion, workmanship and damage), as well as liability for personal injury/property damage during the course of a project. Potential liability may arise from claims, disputes and/or litigation/arbitration by or against Group companies and/or joint venture arrangements in which the Group has an interest. The Group is currently managing a number of claims and dispute processes in relation to services, supply and design and construction contracts as well as in relation to personal injury and property damage claims arising from project delivery. Two disputes with customers in relation to contractors liability have not been disclosed separately as disclosure can be expected to prejudice the position of the Group.
- In December 2022, Downer received correspondence notifying an alleged stray current defect in the depot constructed by Downer for the High Capacity Metro Trains Project and has received subsequent correspondence alleging that Downer is responsible for the costs of rectification. Downer denies liability and has referred the dispute to arbitration.
- Since 2023, Downer has been defending a class action proceeding in which it is alleged Downer breached continuous disclosure obligations and that it engaged in misleading or deceptive conduct in the period 23 July 2019 to 24 February 2023 by making and/or failing to correct or qualify various statements in connection with a maintenance contract in its Australian Utilities business and Downer's financial performance.

On 1 March 2024, Downer filed its defence to the plaintiffs' claim (which included a proportionate liability defence identifying Downer's former auditor as a concurrent wrongdoer) and a third party claim against the former auditor. On 9 August 2024, Downer filed amended pleadings which included additional claims against its former auditor. On 26 February 2025, the plaintiffs filed an amended pleading in which it named Downer's former auditor as the second defendant in the proceeding and made direct claims against the former auditor.

- viii. On 12 December 2024, the Australian Competition and Consumer Commission (ACCC) commenced civil proceedings against Spotless Facility Services Pty Ltd, a Downer subsidiary, relating to allegations concerning the supply of estate maintenance and operations services to the Department of Defence. The ACCC release to ASX on 12 December 2024 includes further details. Downer denies the ACCC allegations and is defending the proceedings.
- ix. In the ordinary course of business, contingent liabilities exist in respect of claims and potential claims against entities in the consolidated entity. The consolidated entity does not consider that the outcomes of any such claims known to exist at the date of this report, either individually or in aggregate, are likely to have a material effect on its operations or financial position.

#### **Key judgements: Contingent liabilities**

##### **Obligation**

Judgement is required in determining if a possible obligation or present obligation arises from past events.

##### **Probability of outflow**

Judgement is required in determining if the probability of outflow is between remote, where no disclosure is required, and probable, where provision recognition is required.

##### **Reliability of measurement**

Judgement is required in determining if an obligation cannot be measured with sufficient reliability for disclosure as a contingent liability.

# D\_Employee benefits

This section provides a breakdown of the various programs Downer uses to reward and recognise employees and key executives, including Key Management Personnel (KMP). Downer believes that these programs reinforce the value of ownership and incentives and drive performance both individually and collectively to deliver better returns to shareholders.

D1 Employee benefits	D3 Key management personnel compensation
D2 Defined benefit plan	D4 Employee Discount Share Plan

## D1.Employee benefits

	2025 \$'m	2024 \$'m
Employee benefits expense:		
– Defined contribution plans costs	190.9	194.6
– Share-based employee benefits expense	3.7	3.2
– Employee benefits	2,917.8	3,204.7
– Redundancy costs	22.1	26.9
– Defined benefit plan costs	1.5	1.4
<b>Total employee benefits expense</b>	<b>3,136.0</b>	<b>3,430.8</b>
Employee benefits provision:		
– Current	280.4	274.1
– Non-current	24.4	24.3
<b>Total employee benefits provision</b>	<b>304.8</b>	<b>298.4</b>

## Recognition and measurement

The employee benefits liability represents accrued wages and salaries, leave entitlements and other incentives recognised in respect of employees' services and redundancy costs up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs, such as workers compensation insurance, superannuation and payroll tax.

### Key estimates and judgements: Employee benefits obligations

#### Annual leave and long service leave

Long-term employee benefits are measured at the present value of estimated future payments for the services provided by employees up to the end of the reporting period. This calculation requires judgement in determining the following key assumptions:

- Future increase in wages and salary rates
- Future on-cost rates
- Expected settlement dates based on staff turnover history.

The liability is discounted using the Australian corporate bond rates which most closely match the terms to maturity of the entitlement.

For New Zealand employees the liability is discounted using long-term government bond rates given there is no deep corporate bond market.

## D2. Defined benefit plan

The Group participates in the Equipsuper Defined Benefit Scheme which provides participants (<100 employees) with a lump sum benefit on retirement, death, disablement or withdrawal. The scheme operates under the Superannuation Industry legislation, and is governed by The Scheme Trustees, in compliance with Australian Prudential Regulation Authority framework. The scheme is closed to new employees.

As at 30 June 2025, the fair value of plan assets (comprising Investment Funds) was \$72.4 million. The plan obligation balance was \$73.7 million. The net liability of \$1.3 million (2024: net asset \$11.8 million) is included as a liability held for sale (refer to Note F7), reclassified from Non-current employee benefits. These balances were subject to an independent actuarial review as at 30 June 2025.

The main movements during the year were \$1.5 million of services costs expensed to the profit and loss, \$0.6 million of net interest, \$14.9 million of actuarial losses on the obligation recorded were recorded in equity, and the Group contributions of \$2.7 million (all pre-tax amounts).

Key actuarial assumptions used in determining the values were a discount rate of 4.7% and an expected salary increase rate of 3.25%. Sensitivity analysis shows a 0.5 percentage point reduction in the discount rate would increase the obligation by 3.0%, and a 0.5 percentage point increase in the expected salary increase rate would increase the obligation by 2.6%.

## D3. Key management personnel compensation

	2025 \$'000	2024 \$'000
Short-term employee benefits	5,290	4,504
Post-employment benefits	205	183
Other long-term benefits	28	28
Share-based payments	1,779	994
<b>Total</b>	<b>7,302</b>	<b>5,709</b>

## Recognition and measurement

### Equity-settled transactions

Equity-settled share-based transactions are measured at fair value at the date of grant. The cost of these transactions is recognised in profit or loss and credited to equity over the vesting period. At each balance sheet date, the Group revises its estimates of the number of rights that are expected to vest for service and non-market performance conditions.

The expense recognised each year takes into account the most recent estimate.

The fair value at grant date is independently determined using an option pricing model and takes into account any market-related performance conditions. Non-market vesting conditions are not considered when determining value; however they are included in assumptions about the number of rights that are expected to vest.

### Cash-settled transactions

The amount payable to employees in respect of cash-settled share-based payments is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value, with any changes in the liability being recognised in profit or loss.

## D4. Employee Discount Share Plan

No shares were issued under the Employee Discount Share Plan during the years ended 30 June 2025 and 30 June 2024.

# E\_Capital structure and financing

This section provides information relating to the Group's capital structure and its exposure to financial risks, how they affect the Group's financial position and performance and how the risks are managed.

The capital structure of the Group consists of debt and equity. The Directors determine the appropriate capital structure of Downer, specifically how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the current and future activities of the Group. The Directors review the Group's capital structure and dividend policy regularly and do so in the context of the Group's ability to continue as a going concern, to invest in opportunities that grow the business and enhance shareholder value.

E1 Borrowings	E5 Issued capital and non-controlling interest
E2 Financing facilities	E6 Reserves
E3 Lease liabilities	E7 Dividends
E4 Commitments	

## E1. Borrowings

	2025 \$'m	2024 \$'m
<b>Current</b>		
Unsecured:		
– USD private placement notes	152.7	–
– AUD private placement notes	30.0	–
– AUD medium term notes	501.9	–
– Deferred finance charges	(1.4)	–
<b>Total current borrowings</b>	<b>683.2</b>	<b>–</b>
<b>Non-current</b>		
Unsecured:		
– Bank loans	300.0	522.0
– USD private placement notes	–	151.0
– AUD private placement notes	–	30.0
– AUD medium term notes	–	504.2
– JPY medium term notes	106.1	93.8
– Deferred finance charges	(4.3)	(7.0)
<b>Total non-current borrowings</b>	<b>401.8</b>	<b>1,294.0</b>
<b>Total borrowings</b>	<b>1,085.0</b>	<b>1,294.0</b>
Fair value of total borrowings <sup>(i)</sup>	1,086.4	1,300.3

(i) Excludes lease liabilities.

## Recognition and measurement

### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

## Fair value

The cash flows under the Group's debt instruments are discounted using current market base interest rates and adjusted for current market credit default swap spreads for companies with a BBB credit rating.

## E2. Financing facilities

At reporting date, the Group had the following facilities that were unutilised:

	2025 \$'m	2024 \$'m
Syndicated loan facilities	900.0	1,100.0
Syndicated Bridge loan facilities	400.0	–
Bilateral loan facilities	325.0	165.0
<b>Total unutilised loan facilities</b>	<b>1,625.0</b>	<b>1,265.0</b>
Syndicated bank guarantee facilities	17.0	104.6
Bilateral bank guarantee and insurance bonding facilities	645.4	681.0
<b>Total unutilised bonding facilities</b>	<b>662.4</b>	<b>785.6</b>

## Summary of borrowing arrangements

The Group's borrowing arrangements are as follows:

### Bank loan facilities

#### Bilateral loan facilities:

The Group has a total of \$325.0 million (2024: \$387.0 million) in bilateral loan facilities which are unsecured, committed facilities.

#### Syndicated Bridge loan facilities:

The Group has \$400.0 million (2024: nil) of syndicated bridge loan facilities which are unsecured, committed facilities.

#### Syndicated loan facilities:

The Group has \$1,200.0 million (2024: \$1,400.0 million) of syndicated bank loan facilities which are unsecured, committed facilities.

### USD private placement notes

USD unsecured private placement notes are on issue for a total amount of US\$100.0 million (2024: US\$100.0 million) with a maturity date of July 2025. The USD denominated principal and interest amounts have been fully hedged against the Australian dollar through cross-currency interest rate swaps.

### AUD private placement notes

AUD unsecured private placement notes are on issue for a total amount of \$30.0 million (2024: \$30.0 million) with a maturity date of July 2025.

### Medium Term Notes (MTNs)

The Group has the following unsecured MTNs on issue:

- \$500.0 million (June 2024: \$500.0 million) maturing April 2026
- JPY 10.0 billion (June 2024: JPY 10.0 billion) maturing May 2033

The carrying value of the AUD MTNs maturing April 2026 includes a premium of \$1.9 million (June 2024: \$4.2 million) over the face value owing to the differential between the coupon rate for that instrument and the prevailing market interest rate at the date of issue.

The JPY denominated principal and interest amounts have been fully hedged against the Australian dollar through a cross-currency interest rate swap.

The above loan facilities and note issuances are supported by guarantees from certain Group subsidiaries.



The maturity profile of the Group's borrowing arrangements by financial year is represented in the below table by facility limit:

Maturing in the period (\$'m)	Bilateral Loan Facilities	Syndicated Loan Facilities	Syndicated Bridge Loan Facilities	USD Private Placement Notes	AUD Private Placement Notes	Medium Term Notes	Total
1 July 2025 to 30 June 2026	–	–	–	152.7	30.0	500.0	682.7
1 July 2026 to 30 June 2027	50.0	–	400.0	–	–	–	450.0
1 July 2027 to 30 June 2028	275.0	–	–	–	–	–	275.0
1 July 2028 to 30 June 2029	–	500.0	–	–	–	–	500.0
1 July 2029 to 30 June 2030	–	400.0	–	–	–	–	400.0
1 July 2031 to 30 June 2032	–	300.0	–	–	–	–	300.0
1 July 2032 to 30 June 2033	–	–	–	–	–	106.1	106.1
<b>Total</b>	<b>325.0</b>	<b>1,200.0</b>	<b>400.0</b>	<b>152.7</b>	<b>30.0</b>	<b>606.1</b>	<b>2,713.8</b>

## Covenants on financing facilities

Downer Group's financing facilities contain undertakings to comply with financial covenants so that Group guarantors of these facilities collectively meet certain minimum threshold amounts of Group EBITA and Group Total Tangible Assets.

The main financial covenants which the Group is subject to are Net Worth, Interest Service Coverage and Leverage.

Financial covenants testing is undertaken monthly and reported at the Downer Board meetings. Reporting of financial covenants to financiers occurs semi-annually for the rolling 12-month periods to 30 June and 31 December. Downer Group was in compliance with all its financial covenants as at 30 June 2025.

## Bank guarantees and insurance bonds

The Group has \$1,902.8 million (2024: \$2,104.0 million) of bank guarantee and insurance bond facilities to support its contracting activities. \$1,040.2 million (2024: \$1,224.2 million) of these facilities are provided to the Group on a committed basis and \$862.6 million (2024: \$879.8 million) on an uncommitted basis.

The Group's facilities are provided by a number of banks and insurance companies on an unsecured and revolving basis. \$1,240.4 million (2024: \$1,318.4 million) (refer to Note C9) of these facilities were utilised as at 30 June 2025 with \$662.4 million (2024: \$785.6 million) unutilised. These facilities have varying maturity dates that occur between financial years 2026, 2027 and 2028.

The underlying risk being assumed by the relevant financier under all bank guarantees and insurance bonds is corporate credit risk rather than project-specific risk.

The Group has flexibility in respect of certain committed facility amounts (shown as part of the unutilised bilateral loan facilities) which can, at the election of the Group, be utilised to provide additional bank guarantee capacity.

## Refinancing requirements

The Group will negotiate with existing and, where required, new financiers to extend the maturity date or refinance facilities maturing within the next 12 months. The Group's financial metrics and credit rating as well as conditions in financial markets and other factors may influence the outcome of these negotiations. The USD\$100 million and AUD\$30m private placement notes matured in July 2025 and were repaid with existing liquidity. The \$500m AUD MTN matures in April 2026 and will be replaced with a new AUD MTN issuance.

## Credit ratings

The Group's external credit rating was revised on 10 May 2024 from BBB (Negative Outlook) to BBB (Outlook Stable) reflecting a continued improvement in earnings margins, strengthened balance sheet and leverage metrics. Furthermore, banks and other lending institutions have continued confidence in our credit risk profile which has positively impacted their assessment of pricing, tenor and facility limits on financing facilities, and is reflected in the Group's recent refinancing of its syndicated facilities.

## E3. Lease liabilities

	2025 \$'m	2024 \$'m
<b>Contractual undiscounted cash flows</b>		
– Within one year	133.3	149.3
– Between one and five years	279.6	305.6
– Greater than five years	115.3	143.4
<b>Total undiscounted lease liabilities</b>	<b>528.2</b>	<b>598.3</b>
– Current	112.8	126.9
– Non-current	339.2	385.0
<b>Total lease liabilities</b>	<b>452.0</b>	<b>511.9</b>

## Recognition and measurement

### Lease liabilities

The lease liability is initially measured at the present value of future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if this rate cannot be readily determined the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- The amount expected to be payable under a residual value guarantee
- Payments of penalties for termination of the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments not included in the initial measurement of the lease liability are recognised directly in profit or loss.

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 the amount expected to be payable under a residual value guarantee
- 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 expense charged to profit or loss for low value and short-term leases (excluded from lease liabilities and right-of-use assets), and variable lease expenses is outlined below:

	2025 \$'m	2024 \$'m
<b>Lease expenses</b>		
Land and buildings		
– Short-term	2.1	3.0
Plant and equipment		
– Low value	3.6	4.3
– Short-term	21.6	29.8
– Variable	15.0	12.1
<b>Total lease expenses</b>	<b>42.3</b>	<b>49.2</b>

#### Key estimate and judgement: Lease liabilities

##### Extension option

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

##### Incremental borrowing rate

In determining the present value of the future lease payments, the Group discounts the lease payments using an incremental borrowing rate (IBR). The IBR reflects the financing characteristics and duration of the underlying lease. Once a discount rate has been set for a leased asset (or portfolio of assets with similar characteristics), this rate will remain unchanged for the term of that lease. When a lease modification occurs, and it is not accounted for as a separate lease, a new IBR will be assigned to reflect the new characteristics of the lease.

## E4. Commitments

	2025 \$'m	2024 \$'m
<b>Capital expenditure commitments<sup>(i)</sup></b>		
Plant and equipment and other		
– Within one year	46.9	33.8
– Between one and five years	11.0	0.3
– Greater than five years	0.5	0.2
<b>Total</b>	<b>58.4</b>	<b>34.3</b>

(i) Includes commitments for joint ventures. Refer also to Note F1(a).

## E5. Issued capital and non-controlling interest

	2025		2024	
	No.	\$'m	No.	\$'m
Ordinary shares	671,573,679	2,471.1	671,573,679	2,471.1
Unvested executive incentive shares	684,080	(5.3)	1,173,846	(7.2)
<b>Total</b>		<b>2,465.8</b>		2,463.9

### Fully paid ordinary share capital

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

	2025		2024	
	m's	\$'m	m's	\$'m
<b>Fully paid ordinary share capital</b>				
Balance at the beginning of the financial year	671.6	2,471.1	671.6	2,471.1
<b>Balance at the end of the financial year</b>	<b>671.6</b>	<b>2,471.1</b>	671.6	2,471.1

### Unvested executive incentive shares

	2025		2024	
	m's	\$'m	m's	\$'m
<b>Unvested executive incentive shares</b>				
Balance at the beginning of the financial year	1.2	(7.2)	1.19	(7.3)
Vested executive incentive share transactions <sup>(i)</sup>	(0.5)	1.9	(0.02)	0.1
<b>Balance at the end of the financial year</b>	<b>0.7</b>	<b>(5.3)</b>	1.17	(7.2)

(i) June 2025 figures relate to the 2021 LTI plan, second deferred component of the 2022 STI award and first deferred component of the 2023 STI award totalling 489,766 vested shares for a value of \$1,919,606.

June 2024 figures relate to the second deferred component of the 2021 STI award of 20,132 vested shares for a value of \$101,578.

Unvested executive incentive shares are stock market purchases and are held by the Executive Employee Share Plan Trust under the Long-Term Incentive (LTI) plan. LTI plans are not entitled to dividend equivalent payments and no dividends will be distributed on shares held in trust during the performance measurement and service periods. Excess net dividends are retained in the trust to be used by the Company to acquire additional shares on the market for employee equity plans.

### Non-controlling interest – Redeemable Optionally Adjustable Distributing Securities (ROADS)

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interest (NCI), before any intra-Group eliminations.

	2025	2024
	\$'m	\$'m
200,000,000 ROADS (2024: 200,000,000)	178.6	178.6
<b>Total</b>	<b>178.6</b>	178.6

The non-controlling interest relates to the issue of 200,000,000 fully paid Redeemable Optionally Adjustable Distributing Securities (ROADS) with a nominal value of NZ\$1 each in Works Finance (NZ) Limited. ROADS are classified as equity as they bear discretionary dividends, are only redeemable into shares of the Company at the option of Works Finance (NZ) Limited, holders cannot request redemption, they do not contain any contractual obligations to deliver cash or financial assets and do not require settlement in a variable number of equity instruments of Works Finance (NZ) Limited.

In accordance with the terms of the ROADS preference shares, the dividend rate for the one year commencing 15 June 2025 is 7.27% per annum (2024: 9.43% per annum) which is equivalent to the one year swap rate on 16 June 2025 of 3.22% per annum plus the step-up margin of 4.05% per annum. ROADS distribution net of imputation credit of 28% is 5.23% (2024: 6.79%).

## Share options and performance rights

Executives participate in a LTI plan. This is an equity-based plan that provides for a reward that varies with Company performance over three-year measures of performance. On 18 December 2024 1,460,151 performance rights (2024: 2,111,832) in relation to unissued shares were granted to senior executives of the Group under the LTI plan. There are three performance conditions applicable to the 2023, 2024 and 2025 LTI plan years.

- Total shareholder return (TSR) – this condition is based on the Company's TSR performance relative to the TSR of companies comprising the ASX 100 index, excluding financial services companies, at the start of the performance period, measured over the three years to exercise date. The performance rights will vest pro-rata between the median and 75th percentile. That is, 30% of the tranche vest at the 50th percentile, 32.8% at the 51st percentile, 35.6% at the 52nd percentile and so on until 100% vest at the 75th percentile.
- Earnings per share (EPS) – this condition is based on the Company's compound annual EPS growth over the three years to exercise date. The performance rights will vest pro-rata between 5% compound annual EPS growth and 10% compound annual EPS growth. Vesting applies on a pro-rata basis from 30% upon meeting the minimum compound annual EPS growth performance level of 5% to 10% and 100% at 10% compound annual EPS growth.
- Scorecard – this condition is based on the Group's net profit after tax and amortisation (NPATA) and funds from operations (FFO) for each of the three years to exercise date. The 2024 LTI plan also introduced a margin gate based on the Group achieving a minimum EBITA margin performance target. The performance rights will vest on a pro-rata basis from 30% upon meeting the minimum three-year average component performance level of 90% to 110% of target and 100% at the capped maximum three-year average component performance level of 110% or more of target.

The variables in the table below are used as inputs into the model to determine the fair value of performance rights.

	2025 Plan	2024 Plan	2023 Plan <sup>(iii)</sup>
Grant date <sup>(i)</sup>	18 December 2024	4 July 2024	31 May 2023
Performance period	1 July 2024 to 30 June 2027	1 July 2023 to 30 June 2026	1 July 2022 to 30 June 2025
Exercise date	1 July 2028	1 July 2027	1 July 2026
Expected volatility <sup>(ii)</sup>	32.0 %	32.0 %	30.0 %
Expected dividend yield	4.80 %	4.90 %	6.50 %
Risk-free interest rate	3.87 %	4.11 %	3.71 %
Share price at grant date	\$5.45	\$4.74	\$3.59
Fair value per right	EPS & Scorecard \$4.60, TSR \$3.00	EPS & Scorecard \$4.09, TSR \$2.80	EPS & Scorecard \$2.94, TSR \$0.57

(i) Grant date represents the date of shared understanding of the Option Deed between parties.

(ii) The expected volatility is based on the volatility of Downer's share price calculated based on the historical three-year normalised rolling volatility.

(iii) The 2023 LTI Plan for the CEO was granted on 4 July 2024 applying expected volatility at 32%, expected dividend yield at 4.90%, risk-free interest rate at 4.18%, share price at grant date \$4.74, fair value per right: EPS \$4.30, TSR \$1.17 and Scorecard \$4.30.

The performance rights do not have any dividend entitlements or voting rights. If all the vesting requirements are satisfied, the performance rights will vest and the executives will receive shares in the Company or cash at the discretion of the Board.

Where an executive ceases employment with the Group prior to the vesting date, the rights will be forfeited. However, the Board will retain the discretion to retain executives in the plan in certain circumstances such as the death, total and permanent disability or retirement of an executive. In these circumstances, the Board will also retain the discretion to vest awards in the form of cash.

## Recognition and measurement

### Ordinary shares

Incremental costs directly attributed to the issue of ordinary shares are accounted for as a deduction from equity, net of any tax effects.

### Executive incentive shares

When executive incentive shares subsequently vest to employees under the Downer employee share plans, the carrying value of the vested shares is transferred from the Employee benefits reserve.

## E6. Reserves

2025 \$'m	Hedge Reserve	Foreign currency translation reserve	Employee benefits reserve	Equity reserve	Fair value through OCI reserve	Total attributable to owners of the parent
Balance at 1 July 2024	(2.5)	(34.1)	25.9	25.5	(1.4)	13.4
Foreign currency translation difference	–	4.1	–	–	–	4.1
Actuarial movement on net defined benefit plan obligations	–	–	(14.9)	–	–	(14.9)
Income tax effect of actuarial movement on defined benefit plan obligations	–	–	4.5	–	–	4.5
Change in fair value of cash flow hedges (net of tax)	(5.0)	–	–	–	–	(5.0)
Change in fair value of unquoted equity investments	–	–	–	–	(0.1)	(0.1)
<b>Total comprehensive income/ (loss) for the year</b>	<b>(5.0)</b>	<b>4.1</b>	<b>(10.4)</b>	<b>–</b>	<b>(0.1)</b>	<b>(11.4)</b>
Vested executive incentive share transactions	–	–	(1.9)	–	–	(1.9)
Share-based employee benefits expense	–	–	3.7	–	–	3.7
Income tax relating to share-based transactions during the year	–	–	(1.7)	–	–	(1.7)
<b>Balance at 30 June 2025</b>	<b>(7.5)</b>	<b>(30.0)</b>	<b>15.6</b>	<b>25.5</b>	<b>(1.5)</b>	<b>2.1</b>

2024		Foreign currency translation reserve	Employee benefits reserve	Equity reserve	Fair value through OCI reserve	Total attributable to owners of the parent
\$'m	Hedge Reserve					
Balance at 1 July 2023	3.0	(30.6)	23.3	25.5	(2.2)	19.0
Foreign currency translation difference	-	(3.5)	-	-	-	(3.5)
Actuarial movement on net defined benefit plan obligations	-	-	2.1	-	-	2.1
Income tax effect of actuarial movement on defined benefit plan obligations	-	-	(0.6)	-	-	(0.6)
Change in fair value of cash flow hedges (net of tax)	(5.5)	-	-	-	-	(5.5)
Change in fair value of unquoted equity investments	-	-	-	-	0.8	0.8
<b>Total comprehensive income/ (loss) for the year</b>	(5.5)	(3.5)	1.5	-	0.8	(6.7)
Vested executive incentive share transactions	-	-	(0.1)	-	-	(0.1)
Share-based employee benefits expense	-	-	3.2	-	-	3.2
Income tax relating to share-based transactions during the year	-	-	(2.0)	-	-	(2.0)
<b>Balance at 30 June 2024</b>	(2.5)	(34.1)	25.9	25.5	(1.4)	13.4

### Hedge reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to future transactions.

### Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of operations where their functional currency is different to the presentation currency of the Group.

### Employee benefits reserve

The employee benefits reserve is used to recognise the fair value of share-based payments issued to employees over the vesting period, and to recognise the value attributable to the share-based payments during the reporting period. This reserve also includes the actuarial gain/loss arisen on the defined benefit plan (refer to Note D2).

### Equity reserve

The equity reserve accounts for the difference between the fair value of, and the amounts paid or received for, equity transactions with non-controlling interests.

### Fair value through OCI reserve

The fair value through OCI reserve comprises the cumulative net change in the fair value of equity investments designated as FVOCI.



## E7. Dividends

### (a) Ordinary shares

	2025 Final	2025 Interim	2024 Final	2024 Interim
Dividend per share (in Australian cents)	14.1	10.8	11.0	6.0
Franking percentage	100 %	75 %	50 %	0 %
Cost (in \$'m)	94.7	72.5	73.9	40.3
Dividend record date	4/9/25	27/2/25	16/9/24	14/3/24
Payment date	2/10/25	27/3/25	15/10/24	11/4/24

### Recognition and measurement

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, before or at the end of the financial year but not distributed at balance sheet date.

The final 2025 dividend has not been declared at the reporting date and therefore is not reflected in the consolidated financial statements.

### (b) Redeemable Optionally Adjustable Distributing Securities (ROADS)

2025	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Dividend per ROADS (in Australian cents)	1.56	1.54	1.54	1.58	6.22
New Zealand imputation credit percentage	100 %	100 %	100 %	100 %	100 %
Cost (in A\$'m)	3.1	3.1	3.1	3.1	12.4
Payment date	16/9/24	16/12/24	17/03/25	16/06/25	

2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Dividend per ROADS (in Australian cents)	1.64	1.64	1.62	1.62	6.52
New Zealand imputation credit percentage	100 %	100 %	100 %	100 %	100 %
Cost (in A\$'m)	3.3	3.3	3.2	3.2	13.0
Payment date	15/9/23	15/12/23	15/3/24	17/6/24	

### Franking credits

The franking account balance as at 30 June 2025 is \$41.6 million (2024: \$45.6 million).

# F\_Group structure

This section explains significant aspects of Downer's Group structure, including joint arrangements where the Group has interest in its controlled entities and how changes have affected the Group structure. It also provides information on business acquisitions and disposals made during the financial year as well as information relating to Downer's related parties, the extent of related party transactions and the impact they had on the Group's financial performance and position.

F1	Joint arrangements and associate entities	F5	Deed of cross guarantee
F2	Controlled entities	F6	Disposal of businesses
F3	Related party information	F7	Disposal group held for sale
F4	Parent entity disclosures		

## F1. Joint arrangements and associate entities

### (a) Interest in joint ventures and associate entities

	Note	2025 \$'m	2024 \$'m
Interest in joint ventures at the beginning of the financial year		10.0	39.1
Share of net profit <sup>(i)</sup>		10.4	10.9
Share of distributions		(5.5)	(11.5)
Interest in joint venture divested	F6	-	(28.5)
Foreign currency exchange differences		0.1	-
<b>Interest in joint ventures at the end of the financial year</b>		<b>15.0</b>	<b>10.0</b>
Interest in associates at the beginning of the financial year		111.8	120.1
Share of net profit/(loss) <sup>(i)</sup>		12.1	(0.9)
Share of distributions		-	(7.4)
Interest in associates reclassified to held for sale	F7	(99.3)	-
Interest in associates divested	F6	(24.6)	-
<b>Interest in associates at the end of the financial year</b>		<b>-</b>	<b>111.8</b>
<b>Total interest in joint ventures and associates</b>		<b>15.0</b>	<b>121.8</b>

(i) The share of net profit is equal to the share of total comprehensive income for all joint ventures and associates.

The Group has interests in the following joint ventures and associates which are equity accounted:

Name of arrangement	Principal activity	Principal place of business	Ownership interest	
			2025 %	2024 %
Joint Ventures				
Allied Asphalt Limited	Asphalt plant	New Zealand	50	50
Bitumen Importers Australia Joint Venture	Bitumen importer	Australia	50	50
Bitumen Importers Australia Pty Ltd	Bitumen importer	Australia	50	50
EDI Rail-Alstom Transport Pty Ltd	Sale and maintenance of railway rollingstock	Australia	50	50
Emulco Limited	Emulsion plant	New Zealand	50	50
Isaac Asphalt Limited	Manufacture and supply of asphalt	New Zealand	50	50
Associates				
Keolis Downer Pty Ltd <sup>(i)</sup>	Operation and maintenance of Gold Coast light rail, Adelaide metro, and bus operations	Australia	49	49
HT HoldCo Pty Ltd <sup>(ii)</sup>	Laundries services	Australia	–	30

(i) Downer's interest in Keolis Downer was classified as held for sale during the year ended 30 June 2025. On 1 July 2025, Downer entered into a sale agreement of its 49% interest, which is expected to complete following Foreign Investment Review Board approval and customary conditions. Refer to Note F7 for more information.

(ii) Downer's interest in HT HoldCo Pty Ltd was disposed during the year ended 30 June 2025. Refer to Note F6 for more information.

	2025 \$'m	2024 \$'m
<b>Commitments for joint ventures</b>		
Within one year	7.0	6.2
Between one and five years	1.2	0.2
Greater than five years	0.5	0.2
<b>Total</b>	<b>8.7</b>	<b>6.6</b>

All joint ventures and associates have a statutory reporting date of 30 June.

The Group does not disclose the details of individual joint ventures and associates on the basis these are individually immaterial.

## Recognition and measurement

### Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit or Loss, and the Group's share of movements of the investee's other comprehensive income in the Consolidated Statement of Other Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

#### (i) Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting.

#### (ii) Investments in associates

Investments in entities over which the Group has the ability to exercise significant influence, but not control, are accounted for using the equity method of accounting. The investment in associates is carried at cost plus post-acquisition changes in the Group's share of the associates' net assets, less any impairment in value.

## (b) Interest in joint operations

The Group recognises its interest in the assets, liabilities, revenue and expenses of joint operations.

Name of joint operation	Principal activity	Principal place of business	Ownership interest	
			2025 %	2024 %
Ausenco Downer Joint Venture	Enabling works for Carrapateena Project	Australia	50	50
Bama Civil Pty Ltd & Downer EDI Works Pty Ltd	Civil Infrastructure design and/or construction activities	Australia	50	50
Cameron Road Joint Venture	Cameron Road construction	New Zealand	50	50
China Hawkins Construction JV	Building construction	New Zealand	50	50
City Rail JV	Enabling works for Auckland City Rail Link	New Zealand	50	50
Confluence Water JV <sup>(i)</sup>	Sydney Water services	Australia	46	43
CPB Contractors Pty Ltd & Spotless Facility Services Pty Ltd	Riverina Redevelopment Program	Australia	50	50
CPB Downer Joint Venture	Parramatta Light Rail construction	Australia	50	50
CRL Construction Joint Venture	Construction of the City Rail Link Alliance Project	New Zealand	30	30
Dampier Highway Joint Venture	Highway construction and design	Australia	50	50
Downer BMD Joint Venture	West Camden Water Recycling Plant Upgrade	Australia	50	50
Downer Electrical GHD JV <sup>(ii)</sup>	Traffic control infrastructure	Australia	90	90
Downer FKG JV	Major civil and roadworks	Australia	50	50
Downer HEB Joint Venture (Te Ara Tupua)	Te Ara Tupua Alliance	New Zealand	50	50
Downer Fulton Hogan Higgins Joint Venture (Transport Recovery East Coast)	Transport Recovery East Coast	New Zealand	33	33
Downer Fulton Hogan Joint Venture (Wakatipu Transport Alliance)	Wakatipu Transport Alliance	New Zealand	50	50
Downer HEB Joint Venture (iRex Project)	iRex Ferry Construction project	New Zealand	50	50
Downer HEB Joint Venture (Memorial Park Alliance)	Design and build of the New Zealand National War Memorial Park	New Zealand	50	50
Downer HEB Joint Venture (Mt Messenger Project)	Design and build of the Mt Messenger Project	New Zealand	50	50
Downer MCD Wynyard Edge JV (Americas Cup Project)	Design and build on Americas Cup Project	New Zealand	50	50
Downer Seymour Whyte JV	Road construction	Australia	50	50
Downer Utilities Australia Pty Ltd & Ventia Utility Services Pty Ltd (Gold Coast Infrastructure Solutions)	Gold Coast Asset Lifecycle Services	Australia	50	50
HCMT Supplier JV	Rail build supplier	Australia	50	50
John Holland Pty Ltd & Downer Utilities Australia Pty Ltd Partnership	Operation of water recycling plant at Mackay	Australia	50	50

Name of joint operation	Principal activity	Principal place of business	Ownership interest	
			2025 %	2024 %
Maddow Downer Joint Venture (Connectus)	Rail construction	New Zealand	50	50
Maddow Downer Joint Venture (CSM2)	Road construction	New Zealand	50	50
Maddow Downer Joint Venture (Russley Road)	Road construction	New Zealand	50	50
North Canterbury Transport Infrastructure Economic Recovery Alliance 'NCTIER' JV	Kaikoura earthquake works	New Zealand	25	25
Ōtaki to North of Levin Joint Venture <sup>(iii)</sup>	Highway construction	New Zealand	50	-
Rollingstock JV	Rail build supplier	Australia	14	14
Safety Focused Performance JV	Water and sewerage capital works	Australia	45	45
Thiess VEC Joint Venture	Highway construction	Australia	50	50
Utilita Water JV	Plant maintenance	Australia	50	50
VEC Shaw Joint Venture	Road construction	Australia	50	50
Wiri Train Depot Joint Venture	Construction of the Wiri train depot	New Zealand	50	50

(i) Ownership interest changed during the year ended 30 June 2025.

(ii) Contractual arrangement prevents control despite ownership of more than 50% of this joint operation.

(iii) Joint operation entered into during the year ended 30 June 2025.

## Recognition and measurement

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

## F2. Controlled entities

The controlled entities of the Group listed below were wholly owned during the current and prior year, unless otherwise stated:

### Australia

ACN 009 173 040 Pty Ltd	Downer Holdings Pty Limited
Aladdin Group Services Pty Limited	Downer Investments Holdings Pty Ltd
Aladdin Laundry Pty Limited	Downer Mining Regional NSW Pty Ltd
Aladdin Linen Supply Pty Limited	Downer PipeTech Pty Limited
Aladdins Holdings Pty. Limited	Downer PPP Investments Pty Ltd
ASPIC Infrastructure Pty Ltd	Downer Professional Services Pty Ltd
Asset Services (Aust) Pty Ltd	Downer QTMP Pty Ltd
Berkeley Challenge (Management) Pty Limited	Downer Utilities Australia Pty Ltd
Berkeley Challenge Pty Limited	Downer Utilities Holdings Australia Pty Ltd
Berkeley Railcar Services Pty Ltd	Downer Utilities New Zealand Pty Ltd
Berkeleys Franchise Services Pty Ltd	Downer Utilities SDR Pty Ltd
Bonnyrigg Management Pty. Limited	Downer Victoria PPP Maintenance Pty Ltd
Cleandomain Proprietary Limited	EDI Rail PPP Maintenance Pty Ltd
Cleanevent Australia Pty. Ltd.	EDICO Pty Ltd
Cleanevent Holdings Pty. Limited	Emoleum Partnership
Cleanevent International Pty. Limited	Emoleum Road Services Pty Ltd
Cleanevent Technology Pty Ltd	Emoleum Roads Group Pty Ltd
Concrete Pavement Recycling Pty Ltd	Envista Pty Limited
DM Roads Services Pty Ltd	Errolon Pty Ltd
DMH Electrical Services Pty Ltd	Evans Deakin Industries Pty Ltd
DMH Maintenance and Technology Services Pty Ltd	Fieldforce Services Pty Ltd
DMH Plant Services Pty Ltd	Fowlers Asphaltting Pty. Limited
Downer Australia Pty Ltd	Gippsland Asphalt Pty. Ltd.
Downer EDI Associated Investments Pty Ltd	Infrastructure Constructions Pty Ltd
Downer EDI Engineering Company Pty Limited	International Linen Service Pty Ltd
Downer EDI Engineering CWH Pty Limited	LNK Group Pty Ltd
Downer EDI Engineering Electrical Pty Ltd	Lowan (Management) Pty. Ltd.
Downer EDI Engineering Group Pty Limited	Maclab Services Pty Ltd
Downer EDI Engineering Holdings Pty Ltd	Mineral Technologies (Holdings) Pty Ltd
Downer EDI Engineering Power Pty Ltd	Mineral Technologies Pty Ltd
Downer EDI Engineering Pty Limited	Monteon Pty Ltd
Downer EDI Limited Tax Deferred Employee Share Plan	Nationwide Venue Management Pty Limited
Downer EDI Mining Pty Ltd	New South Wales Spray Seal Pty Ltd
Downer EDI Mining-Minerals Exploration Pty Ltd	Pacific Industrial Services BidCo Pty Ltd
Downer EDI Rail Pty Ltd	Pacific Industrial Services FinCo Pty Ltd
Downer EDI Services Pty Ltd	Primary Producers Improvers Pty. Ltd.
Downer EDI Works Pty Ltd	Rail Services Victoria Pty Ltd
Downer Energy Systems Pty Limited	Riley Shelley Services Pty Limited
Downer Group Finance Pty Limited	Roche Services Pty Ltd

## Australia - continued

RPC Roads Pty Ltd	Spotless Property Cleaning Services Pty Ltd
RPQ Asphalt Pty. Ltd.	Spotless Securities Plan Pty Ltd
RPQ Mackay Pty Ltd	Spotless Services Australia Limited
RPQ North Coast Pty. Ltd.	Spotless Services International Pty Ltd
RPQ Pty Ltd	Spotless Services Limited
RPQ Services Pty. Ltd.	Spotless Treasury Pty Limited
RPQ Spray Seal Pty. Ltd.	SSL Asset Services (Management) Pty Ltd
Skilltech Consulting Services Pty. Ltd.	SSL Facilities Management Real Estate Services Pty Ltd
Skilltech Metering Solutions Pty Ltd	SSL Security Services Pty Ltd
Smarter Contracting Pty Ltd	Tarmac Linemarking Pty Ltd
Southern Asphaltes Pty Ltd	Taylor's Two Two Seven Pty Ltd
Sports Venue Services Pty Ltd	Trenchless Group Pty Ltd
Spotless Defence Services Pty Ltd	Trico Asphalt Pty. Ltd.
Spotless Facility Services Pty Ltd	UAM Pty Ltd
Spotless Financing Pty Limited	Utility Services Group Holdings Pty Ltd
Spotless Group Holdings Limited	Utility Services Group Limited
Spotless Group Limited	VEC Civil Engineering Pty Ltd
Spotless Investment Holdings Pty Ltd	VEC Plant & Equipment Pty Ltd
Spotless Management Services Pty Ltd	

## New Zealand and Pacific

DGL Investments Limited	Hawkins Limited
Downer Construction (Fiji) Pte Limited	Hawkins Projects 1 Limited
Downer Construction (New Zealand) Limited	ITS Pipetech Pacific (Fiji) Pte Limited
Downer EDI Engineering PNG Limited	Richter Drilling (PNG) Limited
Downer EDI Engineering Power Limited	Spotless Facility Services (NZ) Limited
Downer EDI Works Vanuatu Limited	Spotless Holdings (NZ) Limited
Downer New Zealand Limited	Techtel Training & Development Limited <sup>(iii)</sup>
Downer New Zealand Projects 1 Limited	The Roding Company Limited <sup>(iii)</sup>
Downer New Zealand Projects 2 Limited	Waste Solutions Limited <sup>(ii)</sup>
Downer Utilities New Zealand Limited	Works Finance (NZ) Limited
Green Vision Recycling Limited	

## Africa

Downer EDI Mining - Ghana Limited <sup>(iii)</sup>
MD Mineral Technologies Africa (Pty) Ltd
MD Mining and Mineral Services (Pty) Ltd <sup>(i)</sup>

## Americas

Mineral Technologies Comercio de Equipamentos para
Processamento de Minerais LTDA
Mineral Technologies, Inc.
Mineral Technologies Inc.



Asia	United Kingdom and Channel Islands
Changchun Ao Hua Technical Consulting Co Ltd	KHSA Limited
Cleanevent Middle East FZ-LLC <sup>(iii)</sup>	
Downer EDI Engineering (S) Pte. Ltd.	
Downer EDI Engineering Holdings (Thailand) Limited	
Downer EDI Engineering (Thailand) Ltd	
Downer EDI Group Insurance Pte. Ltd.	
Downer EDI Rail (Hong Kong) Limited <sup>(ii)</sup>	
Downer EDI Works (Hong Kong) Limited <sup>(ii)</sup>	
Downer Pte. Ltd.	
Downer Singapore Pte. Ltd.	
MD Mineral Technologies Private Limited	
PT Duffill Watts Indonesia <sup>(iii)</sup>	

(i) 70% ownership interest.

(ii) Entity is currently undergoing liquidation/dissolution.

(iii) Entity dissolved/de-registered during the financial year ended 30 June 2025.

### F3. Related party information

#### (a) Transactions with controlled entities

Aggregate amounts receivable from and payable to controlled entities by the parent entity are included within total assets and liabilities balances as disclosed in Note F4.

#### (b) Equity interests in related parties

##### Equity interests in subsidiaries

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note F2.

##### Equity interests in joint arrangements and associate entities

Details of interests in joint arrangements and associate entities are disclosed in Note F1. The business activities of a number of these entities are conducted under joint venture arrangements. Associated entities conduct business transactions with various controlled entities. Such transactions include purchases and sales, dividends and interest.

### (c) Other related party transactions

The aggregate transactions with related parties are set out below:

	2025 \$'000	2024 \$'000
<b>Sales of goods and services</b>		
Joint Ventures	35,368	31,540
Associates	29,096	60,235
<b>Purchases of goods and services</b>		
Joint Ventures	90,134	104,970
Associates	3,527	7,463
<b>Receivables from related parties</b>		
Joint Ventures	2,154	2,030
Associates	952	6,991
<b>Payables to related parties</b>		
Joint Ventures	6,239	6,542
Associates	8	386
<b>Loans and other advances from related parties</b>		
Joint Ventures	1,430	2,490
Associates	–	–
<b>Loans and other advances to related parties</b>		
Joint Ventures	4,837	8,799
Associates	–	16,660

All transactions were made on normal commercial terms and conditions and at market rates. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

## F4. Parent entity disclosures

### (a) Financial position

	Company	
	2025 \$'m	2024 \$'m
<b>Assets</b>		
Current assets	14.4	25.6
Non-current assets	2,722.9	2,664.4
<b>Total assets</b>	<b>2,737.3</b>	2,690.0
<b>Liabilities</b>		
Current liabilities	38.8	23.3
Non-current liabilities	–	6.8
<b>Total liabilities</b>	<b>38.8</b>	30.1
<b>Net assets</b>	<b>2,698.5</b>	2,659.9
<b>Equity</b>		
Issued capital	2,465.8	2,463.9
Retained earnings	19.7	166.1
Profit reserve	183.1	–
<b>Other reserves:</b>		
Employee benefits reserve	13.9	13.9
Equity reserve	16.0	16.0
<b>Total equity</b>	<b>2,698.5</b>	2,659.9

As at 30 June 2025, the parent entity was in a net current liabilities position largely due to current tax liability of \$16.5 million at reporting date which would be paid in FY26 and employee benefits provisions of \$8.4 million which would be utilised in the future. The parent entity can meet all its financial obligations when they fall due, since it has the ability to control the timing of the funding from its controlled entities.

### (b) Financial performance

	Company	
	2025 \$'m	2024 \$'m
Profit for the year	183.1	89.0
<b>Total comprehensive income</b>	<b>183.1</b>	89.0

During the year, Downer EDI Limited reported a Statutory profit after tax of \$183.1 million, which was set aside in a separate profit reserve.

### (c) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has, in the normal course of business, entered into guarantees in relation to the debts of its subsidiaries during the financial year.

### (d) Contingent liabilities of the parent entity

The parent entity has no contingent liabilities as at 30 June 2025 (2024: nil) other than those disclosed in Note C9 to the financial statements.

### (e) Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity does not have any commitments for acquisition of property, plant and equipment as at 30 June 2025 (2024: nil).

## F5. Deed of cross guarantee

The following entities entered into a deed of cross guarantee with Downer EDI Limited under which each company guarantees the debts of the others:

Downer Australia Pty Ltd	Evans Deakin Industries Pty Ltd
Downer EDI Engineering Electrical Pty Ltd	Mineral Technologies (Holdings) Pty Ltd
Downer EDI Engineering Group Pty	Mineral Technologies Pty Ltd
Downer EDI Engineering Holdings Pty Ltd	New South Wales Spray Seal Pty Ltd
Downer EDI Engineering Power Pty Ltd	Pacific Industrial Services Bidco Pty Ltd
Downer EDI Engineering Pty Limited	Pacific Industrial Services Finco Pty Ltd
Downer EDI Rail Pty Ltd	RPQ Mackay Pty Ltd
Downer EDI Services Pty Ltd	RPQ Spray Seal Pty. Ltd.
Downer EDI Works Pty Ltd	Skilltech Consulting Services Pty. Ltd.
Downer Group Finance Pty	Spotless Facility Services Pty Ltd
Downer Holdings Pty	Spotless Group Holdings Limited
Downer Professional Services Pty	Spotless Group Limited
Downer QTMP Pty Ltd	Spotless Services Australia Limited
Downer Utilities Australia Pty Ltd	Spotless Services Limited
Downer Utilities Holdings Australia Pty Ltd	Spotless Treasury Pty Limited
Downer Victoria PPP Maintenance Pty Ltd	UAM Pty Ltd
EDI Rail PPP Maintenance Pty Ltd	Utility Services Group Holdings Pty Ltd
EDICO Pty Ltd	Utility Services Group Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and Directors' reports under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Downer EDI Limited, they also represent the 'Extended Closed Group'.

Set out below is a Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position of the 'Closed Group'.

#### (a) Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2025 \$'m	2024 \$'m
Revenue	7,340.8	7,459.8
Other income	142.1	105.2
<b>Total revenue and other income</b>	<b>7,482.9</b>	7,565.0
Employee benefits expense	(2,241.5)	(2,381.5)
Subcontractor costs	(3,061.8)	(3,101.8)
Raw materials and consumables used	(1,000.8)	(899.4)
Plant and equipment costs	(234.6)	(250.0)
Depreciation on leased assets	(68.9)	(74.2)
Other depreciation and amortisation	(149.1)	(147.7)
Impairment of non-current assets	(53.0)	(69.1)
Other expenses from ordinary activities	(427.9)	(595.8)
<b>Total expenses</b>	<b>(7,237.6)</b>	(7,519.5)
Share of net profit of joint ventures and associates	7.3	6.5
<b>Earnings before interest and tax</b>	252.6	52.0
Finance income	32.2	40.0
Lease finance costs	(14.9)	(13.7)
Other finance costs	(96.9)	(95.8)
<b>Net finance costs</b>	<b>(79.6)</b>	(69.5)
<b>Profit/(Loss) before income tax</b>	<b>173.0</b>	(17.5)
Income tax (expense)/benefit	(21.6)	2.5
<b>Profit/(Loss) after income tax</b>	<b>151.4</b>	(15.0)
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
– Actuarial movement on net defined benefit plan obligations	(14.9)	2.1
– Income tax effect of actuarial movement on defined benefit plan obligations	4.5	(0.6)
– Change in fair value of unquoted equity investments	(0.1)	0.8
<b>Items that may be reclassified subsequently to profit or loss:</b>		
– Net gain/(loss) on foreign currency forward contracts taken to equity	2.9	(1.5)
– Net loss on cross currency and interest rate swaps taken to equity	(10.3)	(6.4)
– Income tax effect of items above	2.2	2.4
<b>Other comprehensive loss the year (net of tax)</b>	<b>(15.7)</b>	(3.2)
<b>Total comprehensive income/(loss) the year (net of tax)</b>	<b>135.7</b>	(18.2)
<b>Summary of movements in retained earnings</b>		
Opening retained earnings brought forward	57.6	166.6
Profit/(Loss) after income tax	151.4	(15.0)
Dividends paid	(146.4)	(94.0)
Internal Transfers	(34.5)	-
<b>Retained earnings at reporting date</b>	<b>28.1</b>	57.6

## (b) Consolidated Statement of Financial Position

	2025 \$'m	2024 \$'m
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	566.1	604.2
Trade receivables and contract assets	1,490.4	1,377.0
Other financial assets	29.9	16.5
Inventories	137.8	159.2
Prepayments and other assets	63.3	43.6
Assets classified as held for sale	51.0	–
<b>Total current assets</b>	<b>2,338.5</b>	<b>2,200.5</b>
<b>Non-current assets</b>		
Trade receivables and contract assets	152.3	138.2
Equity accounted investments	7.0	29.2
Property, plant and equipment	563.8	615.8
Right-of-use assets	188.5	231.9
Intangible assets	1,584.8	1,669.5
Other financial assets	1,938.1	1,747.7
Deferred tax assets	13.2	12.4
Prepayments and other assets	15.6	29.1
<b>Total non-current assets</b>	<b>4,463.3</b>	<b>4,473.8</b>
<b>Total assets</b>	<b>6,801.8</b>	<b>6,674.3</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables and contract liabilities	1,626.8	1,473.5
Borrowings	683.2	–
Lease liabilities	56.7	66.1
Other financial liabilities	8.1	10.9
Current tax liabilities	19.8	19.0
Employee benefits provision	208.3	216.8
Other provisions	83.6	126.4
Liabilities associated with assets classified as held for sale	50.6	–
<b>Total current liabilities</b>	<b>2,737.1</b>	<b>1,912.7</b>
<b>Non-current liabilities</b>		
Trade payables and contract liabilities	36.5	46.5
Borrowings	401.8	1,294.0
Lease liabilities	192.2	235.1
Other financial liabilities	856.4	565.4
Employee benefits provision	22.8	22.4
Other provisions	26.2	26.2
<b>Total non-current liabilities</b>	<b>1,535.9</b>	<b>2,189.6</b>
<b>Total liabilities</b>	<b>4,273.0</b>	<b>4,102.3</b>
<b>Net assets</b>	<b>2,528.8</b>	<b>2,572.0</b>
<b>EQUITY</b>		
Issued capital	2,465.8	2,463.9
Reserves	34.9	50.5
Retained Earnings	28.1	57.6
<b>Total equity</b>	<b>2,528.8</b>	<b>2,572.0</b>

## F6. Disposal of businesses

### Current year divestments

#### Catering New Zealand

On 1 December 2024, Downer completed an agreement for the sale of the New Zealand catering business (in the Facilities segment) to DHG Hospitality Services NZ Pty Limited. The sale consideration for this transaction is \$1.0 million. Net proceeds (after transaction costs) of \$0.3 million have been received, with a pre-tax loss on disposal of \$16.5 million.

#### Cleaning Australia

At 31 December 2024, Downer's assets and liabilities relating to its Cleaning business (in the Facilities segment) were classified as assets and liabilities held for sale.

On 13 March 2025, Downer entered into an agreement with Dimeo to sell its Australian and New Zealand cleaning businesses. The Australian Cleaning business sale completed on 30 June 2025. The sale consideration after working capital adjustments and transaction costs was a net outflow of \$0.7 million with a pre-tax loss on disposal of \$6.8 million recognised. The New Zealand business sale completed on 31 July 2025.

#### Downer's interest in Laundries

At 31 December 2024, Downer's equity accounted investment, representing a 29.9% interest in its Australian Laundries business (in the Unallocated segment) was classified as an asset held for sale and equity accounting ceased. The carrying value of the investment was \$24.6 million.

On 24 April 2025, Downer announced it had completed the sale of its 29.9% interest in its Australian Laundries business (HT Hold Co Pty Limited) to an Asia Pacific private equity fund managed by Macquarie Asset Management. As at June 2025, a net payment of \$65.3 million has been received (after \$0.3 million of transaction costs) with a pre-tax gain on disposal of \$41.1 million recognised. Deferred consideration of \$3.5 million has been recognised as a financial asset and included in the gain on sale, with the receipt contingent on specified 'earn-out' clauses which will be confirmed in FY26.



## Prior year divestments

The below table summarises the impact of divestments during the 30 June 2024 financial year:

### 2024

\$'m	Transport Projects	Asset and Development Services	Downer's interest in Repurpose It	VEC Contracts	AE Smith New Zealand	Metering Services	Total
<b>Proceeds on disposal (net of transaction costs)</b>	28.5	2.2	84.4	12	(1.4)	21.3	136.2
Less cash disposed	(30.8)	(11.9)	-	-	-	-	(42.7)
Deferred settlement paid and transaction costs	(23.3)	(1.7)	-	-	-	-	(25.0)
<b>Net proceeds (as per the Consolidated Statement of Cash Flows)</b>	(25.6)	(11.4)	84.4	12	(1.4)	21.3	68.5
Deferred consideration	-	(0.9)	-	-	(2.0)	-	(2.9)
<b>Total net proceeds on disposal</b>	(25.6)	(12.3)	84.4	12	(3.4)	21.3	65.6
Consideration for divested business (net of transaction costs)	22.1	(0.4)	84.4	12	(3.4)	21.3	125.2
Cash and cash equivalents	30.8	11.9	-	-	-	-	42.7
Trade receivables and contract assets	40.8	50.9	-	-	0.2	-	91.9
Equity accounted investments	-	-	28.5	-	-	-	28.5
Property, plant and equipment	-	0.3	-	15	0.3	17.2	19.3
Right-of-use assets	0.6	0.8	-	-	0.2	-	1.6
Intangible assets	-	0.4	-	-	-	-	0.4
Inventories	-	0.2	-	0.1	0.1	3.6	4.0
Current tax assets	-	2.5	-	-	-	-	2.5
Deferred tax assets	1.0	2.2	-	0.2	-	-	3.4
Prepayments and other assets	0.6	0.3	-	-	-	-	0.9
<b>Assets disposed</b>	73.8	69.5	28.5	1.8	0.8	20.8	195.2
Trade payables and contract liabilities	48.3	40.6	-	0.4	0.6	-	89.9
Lease liabilities	0.6	0.8	-	-	0.3	-	1.7
Employee benefits provision	3.2	7.8	-	0.2	1.0	-	12.2
Other provisions	0.8	1.1	-	-	-	-	1.9
Deferred tax liabilities	-	0.4	-	-	-	-	0.4
<b>Liabilities disposed</b>	52.9	50.7	-	0.6	1.9	-	106.1
<b>Net assets disposed</b>	20.9	18.8	28.5	1.2	(1.1)	20.8	89.1
<b>Gain/(loss) on disposal before tax</b>	1.2	(19.2)	55.9	-	(2.3)	0.5	36.1
<b>Other exit-related costs</b>	-	-	(4.5)	-	(9.4)	(0.5)	(14.4)
<b>Gain/(loss) on disposal after exit costs before tax</b>	1.2	(19.2)	51.4	-	(11.7)	-	21.7

## F7. Disposal group held for sale

### Current year

#### Cleaning New Zealand

During the period, assets and liabilities relating to the New Zealand Cleaning business (in the Facilities segment) were classified as assets and liabilities held for sale. On 13 March 2025, Downer entered into an agreement with Dimeo to sell its New Zealand Cleaning business. At 30 June 2025, the sale was expected to complete within 12 months. Subsequently, the sale completed on 31 July 2025.

#### Downer's interest in Keolis Downer

At 31 December 2024, Downer's 49% interest in Keolis Downer Pty Ltd (in the Transport segment) was classified as an asset held for sale and equity accounting ceased. The carrying value was \$99.3 million, with the valuation at the time in accordance with the shareholder agreement.

On 1 July 2025, Downer entered into an agreement for the sale of its 49% interest in Keolis Downer, to the Keolis Group. As a result of the agreement between Keolis Group and Downer, adjusted for expected working capital movements, completion adjustments, transaction costs and warranties, the Group has remeasured the carrying value of the asset held for sale and recognised an impairment loss of \$38.6 million. This has been included within Note B3 as a loss on divestment.

The transaction is expected to complete following Foreign Investment Review Board approval and customary conditions.

#### Energy & Utilities customer contract

During the period, the Energy & Utilities business entered into an agreement to transfer the assets and liabilities relating to a customer contract to a third party as part of a demobilisation and exit agreement. The assets and liabilities connected with the transfer were classified as held for sale as the assets are expected to be sold within 12 months.

At 30 June 2025, the disposal groups were stated at the lower of their carrying amount and fair value less costs of disposal, and consisted of the following assets and liabilities:

2025 \$'m	Note	Cleaning New Zealand	Downer's interest in Keolis Downer	Energy & Utilities customer contract	Total
Inventories		–	–	18.9	18.9
Equity accounted investments		–	65.8	–	65.8
Property, plant and equipment	C5	0.2	–	1.9	2.1
Right-of-use assets	C6	0.6	–	25.2	25.8
Intangible assets	C7	–	–	0.2	0.2
Deferred tax assets	B5(b)	–	–	4.8	4.8
<b>Assets held for sale</b>		<b>0.8</b>	<b>65.8</b>	<b>51.0</b>	<b>117.6</b>
Lease liabilities		0.6	–	27.8	28.4
Employee benefits provision	D2	2.7	–	15.9	18.6
Other provisions	C8	–	–	6.9	6.9
<b>Liabilities held for sale</b>		<b>3.3</b>	<b>–</b>	<b>50.6</b>	<b>53.9</b>

## Prior year

### Catering New Zealand

On 30 June 2024, assets and liabilities relating to Catering NZ in the Facilities segment were classified as assets and liabilities held for sale. The assets and liabilities remained outstanding as at 30 June 2024.

At 30 June 2024, the disposal groups were stated at the lower of their carrying amount and fair value less costs of disposal, and consisted of the following assets and liabilities:

2024 \$'m	Catering NZ
Trade receivables and contract assets	8.1
Inventories	1.2
Prepayments and other assets	0.2
Property, plant and equipment	1.0
Right-of-use assets	0.1
<b>Assets held for sale</b>	<b>10.6</b>
Trade payables and contract liabilities	8.3
Lease liabilities	0.1
Employee benefits provision	2.2
<b>Liabilities held for sale</b>	<b>10.6</b>

### Recognition and measurement

Disposal groups are recognised when a sale is considered highly probable. The assets and liabilities of these disposal groups are disclosed separately on the basis that their value is expected to be realised through a sale event rather than continued use. Disposal group assets are presented at the lower of their carrying value or the value expected to be realised through the sale. Any impairment to the carrying value of the assets is recognised through the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The Assets held for sale do not include any recognition of divestment and exit costs.

# G\_Other

This section provides details on other required disclosures relating to the Group to comply with the accounting standards and other pronouncements including the Group's capital and financial risk management disclosure. This disclosure provides information around the Group's risk management policies and how Downer uses derivatives to hedge the underlying exposure to changes in interest rates and to foreign exchange rate fluctuations.

G1 New accounting standards

G3 Other financial assets and liabilities

G2 Capital and financial risk management

## G1. New accounting standards

### (a) New and amended accounting standards adopted by the Group

During the year, the Group has applied a number of new and revised accounting standards issued by the Australian Accounting Standards Board (AASB) that are effective for accounting periods that begin on or after 1 July 2024, as follows:

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*

None of the above new and amended accounting standards have had a significant impact on the Group's consolidated financial statements.

### (b) New accounting standards and interpretations not yet adopted

The following new or amended Accounting Standards or Interpretations that are not yet mandatory and have not been early adopted.

The following are not expected to have a material impact on the Group's financial report on adoption and may result in additional disclosure in the financial statements:

- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*
- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture*

Management is still in the process of determining the impact of the following:

- AASB 18 *Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)*

### (c) AASB sustainability reporting standards

The Australian climate-related financial disclosures legislation received Royal Assent in September 2024, under the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 ('Act'). Following the Act's enactment, the AASB introduced the first set of Australian Sustainability Reporting Standards (ASRS).

These standards include:

- ASRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information*
- ASRS 2 *Climate-related Disclosures*

The Act requires the Consolidated Entity to commence reporting for its financial year commencing 1 July 2025.

## G2. Capital and financial risk management

### (a) Capital risk management

The capital structure of the Group consists of debt and equity. The Group may vary its capital structure by adjusting the amount of dividends, returning capital to shareholders, issuing new shares or increasing or reducing debt.

The Group's objectives when managing capital are to safeguard its ability to operate as a going concern so that it can meet all its financial obligations when they fall due, provide adequate returns to shareholders, maintain an appropriate capital structure to optimise its cost of capital and maintain an investment grade credit rating for ongoing access to funding.

### (b) Financial risk management objectives

The Group's Treasury function manages the funding, liquidity and financial risks of the Group under a Board-approved Treasury Policy. These risks include foreign exchange, interest rate, commodity and financial counterparty credit risk.

The Group enters into a variety of derivative financial instruments to manage its exposures including:

- i. Forward foreign exchange contracts to hedge the exchange rate risk arising from cross-border trade flows, foreign income and debt service obligations
- ii. Cross-currency interest rate swaps to manage the interest rate and currency risk associated with foreign currency denominated borrowings
- iii. Interest rate swaps to manage interest rate risk
- iv. Commodity forward contracts to manage commodity price movements in contracts.

The Group does not enter into or trade derivative financial instruments for speculative purposes.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. No material amounts with a right to offset were identified in the Consolidated Statement of Financial Position.

### (c) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. As a result, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters, utilising forward foreign exchange contracts and cross-currency swaps.

The carrying amounts of the Group's unhedged foreign currency denominated financial assets and financial liabilities at the reporting date are as follows:

	Financial assets <sup>(i)</sup>		Financial liabilities <sup>(i)</sup>	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
US Dollar (USD)	4.4	3.1	12.9	0.1
South Africa Rand (ZAR)	4.5	1.6	-	-
Japanese Yen (JPY)	0.8	0.4	-	0.5

(i) The above table shows foreign currency financial assets and liabilities in Australian dollar equivalent.

## Foreign currency forward contracts

The following table summarises, by currency pairs, the Australian dollar value (unless otherwise stated) of forward exchange contracts outstanding as at the reporting date:

	Weighted average exchange rate		Foreign currency		Contract value		Fair value	
	2025	2024	2025	2024	2025	2024	2025	2024
Outstanding contracts			FC'm	FC'm	\$'m	\$'m	\$'m	\$'m
<b>Buy USD / Sell AUD</b>								
Less than 3 months	0.6471	0.6704	2.2	4.4	3.4	6.5	-	0.1
3 to 6 months	0.6798	0.6646	0.5	5.0	0.7	7.5	-	-
Later than 6 months	0.6353	0.6610	2.0	8.9	3.1	13.5	(0.1)	(0.1)
			<b>4.7</b>	<b>18.3</b>	<b>7.2</b>	<b>27.5</b>	<b>(0.1)</b>	<b>-</b>
<b>Sell USD / Buy AUD</b>								
Less than 3 months	0.6488	0.6491	1.0	2.4	1.6	3.7	-	0.1
3 to 6 months	0.6600	0.6357	0.8	5.4	1.3	8.6	-	0.4
Later than 6 months	-	0.6685	-	1.0	-	1.5	-	-
			<b>1.8</b>	<b>8.8</b>	<b>2.9</b>	<b>13.8</b>	<b>-</b>	<b>0.5</b>

## Cross-currency interest rate swaps

Under cross-currency interest rate swaps, the Group is committed to exchange certain foreign currency loan principal and interest amounts at agreed future dates at fixed foreign exchange and interest rates. Such contracts enable the Group to eliminate the risk of adverse movements in foreign exchange and interest rates related to foreign currency denominated borrowings.

The following table details the Australian dollar equivalent of cross-currency interest rate swaps outstanding as at the reporting date:

	Weighted average AUD equivalent interest rate (including credit margin)		Weighted average exchange rate		Contract value		Fair value	
	2025	2024	2025	2024	2025	2024	2025	2024
Outstanding contracts	%	%			\$'m	\$'m	\$'m	\$'m
<b>Buy USD / Sell AUD</b>								
Less than 1 year	5.9	-	0.7739	-	129.2	-	23.4	-
1 to 5 years	-	5.9	-	0.7739	-	129.2	-	19.2
<b>Buy JPY / Sell AUD</b>								
5 years or more	5.2	5.2	83.12	83.12	120.3	120.3	(21.8)	(25.4)

The above cross-currency interest rate swaps are designated as effective cash flow hedges.

## Foreign currency sensitivity analysis

The Group is mainly exposed to the movement in United States dollar (USD) and New Zealand dollar (NZD), arising from cross-border trade and intercompany flows.

The following table details the Group's sensitivity to movements in the Australian dollar against relevant foreign currencies. The percentages disclosed below represent the Group's assessment of the possible changes in spot foreign exchange rates (i.e. forward exchange points and discount factors have been kept constant). The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a given percentage change in foreign exchange rates. A rate change indicates an appreciation or depreciation of the Australian dollar spot exchange rate against the foreign currency of the exposure.

A positive number indicates a before-tax increase in profit and equity and a negative number indicates a before-tax decrease in profit and equity.

	Profit/(loss) <sup>(i)</sup>		Equity <sup>(ii)</sup>	
	2025	2024	2025	2024
	\$'m	\$'m	\$'m	\$'m
<b>USD impact</b>				
- 15% rate change	(1.5)	0.5	0.7	2.4
+ 15% rate change	1.1	(0.4)	(0.6)	(1.8)
<b>NZD impact</b>				
- 15% rate change	-	-	-	30.7
+ 15% rate change	-	-	-	(22.7)

(i) This is mainly as a result of the changes in the value of unhedged foreign currency denominated financial assets and liabilities.

(ii) This is as a result of the changes in the value of forward foreign exchange contracts designated as cash flow hedges.



## (d) Interest rate risk management

The Group is exposed to interest rate risk as entities borrow funds at floating interest rates. Management of this risk is governed by a Board approved Treasury Policy that requires an appropriate mix of fixed and floating rate borrowings and hedging be maintained utilising cross-currency interest rate swaps and interest rate swap contracts and the issue of long-term fixed rate debt securities.

The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the table below:

	Weighted average AUD equivalent interest rate (including credit margin)		Liability/(asset)	
	2025 %	2024 %	2025 \$'m	2024 \$'m
<b>Floating interest rates - income and cash flow exposure</b>				
Bank loans <sup>(i)</sup>	5.7	5.3	303.5	522.1
Cash and cash equivalents	4.5	3.7	(833.8)	(837.6)
<b>Total cash flow exposure</b>			<b>(530.3)</b>	<b>(315.5)</b>
<b>Fixed interest rates - fair value exposure</b>				
USD private placement notes <sup>(ii)</sup>	5.9	5.9	129.3	131.8
AUD private placement notes	5.8	5.8	30.0	30.0
Medium term notes <sup>(ii)</sup>	3.6	3.6	629.8	623.4
<b>Total fair value exposure</b>			<b>789.1</b>	<b>785.2</b>

(i) Swaps currently in place cover approximately 83% (30 June 2024: 100%) of the variable loan principal outstanding. The swaps' maturities range from November 2026 to June 2027, with additional forward start swaps commencing September 2025 and maturing September 2028. The fixed interest rates of the swaps range between 3.32% and 4.12% (30 June 2024: 3.23% and 4.68%) and the variable rates of the loans are set at a margin above the relevant floating rate.

(ii) The marked to market values of the interest rate and cross-currency swaps have been included in the debt amounts.

All interest rates in the above table reflect rates in the currency of the relevant loan other than USD private placement notes and JPY medium term notes, where the AUD rates under the relevant cross-currency swaps are used.

The table above relates to amounts that are drawn. The Group has a number of undrawn facilities, which if utilised would be on a floating rate basis.

The Group uses cross-currency interest rate swaps and interest rate swap contracts to manage interest rate exposures. Under these contracts, the Group commits to exchange the difference between fixed and floating rate interest amounts calculated on notional principal amounts. The principal and interest amounts on USD private placement notes and JPY medium term notes have been fully hedged against the Australian dollar through cross-currency interest rate swaps.

The fair values of interest rate swaps are based on market values of equivalent instruments at the reporting date.

The following table details the interest rate swap contracts and related notional principal amounts as at the reporting date:

	Weighted average interest rate		Notional principal amount		Fair value	
	2025 %	2024 %	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
<b>Outstanding floating to fixed swap contracts</b>						
<b>AUD interest rate swaps</b>						
Less than 1 year	–	4.1	–	525.0	–	0.1
1 to 2 years	4.1	–	250.0	–	(3.5)	–
3 to 4 years	3.4	–	140.0	–	(0.5)	–
<b>Total</b>			<b>390.0</b>	<b>525.0</b>	<b>(4.0)</b>	<b>0.1</b>

## Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the reporting date and assuming that the rate change occurs at the beginning of the financial year and is then held constant throughout the reporting period.

Sensitivities have been based on a movement in interest rates of 100 basis points across the yield curve of the relevant currencies. The selected basis point increase or decrease represents the Group's assessment of the possible change in interest rates based on the current observable market environment for variable rate instruments, cross-currency interest rate swaps and interest rate swaps. An increase or decrease in interest rates of 100 basis points on the unhedged position (mostly cash and cash equivalents) will decrease or increase net interest expense by \$7.8 million (2024: \$4.8 million) respectively for the next 12 months based on the closing cash and floating rate debt balances and assuming no changes to the existing rate hedges.

For hedged positions designated as cash flow hedges, an increase and decrease in interest rates of 100 basis points will generate an increase and decrease in equity of \$7.8 million (2024: \$1.3 million) and \$8.0 million (2024: \$1.2 million) respectively.

## (e) Credit risk management

Credit risk refers to the risk that a financial counterparty will default on its contractual obligations in respect of a financial instrument, resulting in a potential loss to the Group.

Trade receivables and contract assets arise from a large number of customers, spread across diverse industries and geographical areas. A credit risk assessment is performed at the onset of material contracts to assess the financial condition of the counterparty and reviewed annually to take account of any changes in the risk profile of the counterparty. Where possible, a bank guarantee or performance bond, or parent guarantee from a creditworthy counterparty, is sought to secure a counterparty's contractual payment obligations. Refer to Note C2 for details on credit risk arising from trade receivables and contract assets.

Financial counterparty credit limits and the related credit acceptability of financial counterparties are set by a Board approved Treasury Policy that is subject to annual review to remain relevant to the external environment and reflects the Group's risk appetite at all times. The Treasury Policy sets clear parameters for determining acceptable financial counterparties and limits the exposure the Group may have at any one time to any financial counterparties to mitigate financial loss due to a default by a counterparty. No material exposure is considered to exist by virtue of the non-performance of any financial counterparty.

Credit risk on derivative financial instruments and cash balances held with financial counterparties is managed by Group Treasury with transactions only made with approved counterparties that have a minimum investment grade rating from Standard & Poor's of A- (or equivalent from Moody's or Fitch rating agencies). In limited circumstances, surplus cash may be held in foreign jurisdictions with financial counterparties that do not meet the minimum rating threshold where there is no other alternative.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

## (f) Liquidity risk management

Liquidity risk is the risk that the Group is unable to meet its financial obligations as and when they fall due. The Group's liquidity risk is managed under a Board approved Treasury Policy that sets clear parameters governing the Group's continued access to liquidity.

The Group manages liquidity risk by maintaining a minimum level of liquidity to meet the Group's financial obligations in the form of available liquid cash balances and access to committed undrawn debt facilities and other forms of capital, monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The Group seeks to mitigate its exposure to liquidity risk by using debt facilities provided by strong investment grade rated financial counterparties and by the early refinancing of debt facilities for continued access to capital over the medium term.

The maturity profile and quantum of the Group's debt facilities will continue to be monitored and refinanced in advance subject to credit market conditions and the support of its financial counterparties. Included in Note E2 is a summary of committed undrawn bank loan facilities.

## Liquidity risk tables

The following tables detail the contractual maturity of the Group's financial liabilities. The tables are based on the undiscounted cash flows of financial liabilities and include both interest and principal cash flows.

2025 \$'m	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank loans <sup>(i)</sup>	16.8	16.3	16.4	16.3	16.3	348.4
USD notes	156.1	–	–	–	–	–
AUD notes	30.9	–	–	–	–	–
Medium term notes	519.7	1.2	1.2	1.2	1.2	109.6
<b>Total borrowings including interest</b>	<b>723.5</b>	<b>17.5</b>	<b>17.6</b>	<b>17.5</b>	<b>17.5</b>	<b>458.0</b>
Cross-currency interest rate swaps	(18.1)	5.1	5.1	5.1	5.1	29.4
Interest rate swaps	2.1	2.2	(0.1)	(0.1)	–	–
Foreign currency forward contracts	(0.6)	(0.2)	0.1	–	–	–
<b>Total derivative instruments<sup>(ii)</sup></b>	<b>(16.6)</b>	<b>7.1</b>	<b>5.1</b>	<b>5.0</b>	<b>5.1</b>	<b>29.4</b>
Trade payables and accruals	1,843.9	6.1	0.6	1.2	0.6	1.5
Lease liabilities	133.3	103.8	79.6	55.7	40.5	115.3
<b>Total financial liabilities</b>	<b>2,684.1</b>	<b>134.5</b>	<b>102.9</b>	<b>79.4</b>	<b>63.7</b>	<b>604.2</b>

2024 \$'m	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank loans <sup>(i)</sup>	31.0	166.2	99.6	307.4	–	–
USD notes	6.9	154.4	–	–	–	–
AUD notes	1.7	30.9	–	–	–	–
Medium term notes	19.5	519.5	1.0	1.0	1.0	98.0
<b>Total borrowings including interest</b>	<b>59.1</b>	<b>871.0</b>	<b>100.6</b>	<b>308.4</b>	<b>1.0</b>	<b>98.0</b>
Cross-currency interest rate swaps	5.9	(16.2)	5.2	5.2	5.2	47.3
Interest rate swaps	(0.5)	–	–	–	–	–
Foreign currency forward contracts	21.6	4.0	4.1	1.1	–	–
<b>Total derivative instruments<sup>(ii)</sup></b>	<b>27.0</b>	<b>(12.2)</b>	<b>9.3</b>	<b>6.3</b>	<b>5.2</b>	<b>47.3</b>
Trade payables and accruals	1,826.0	14.9	7.7	0.6	0.3	5.7
Lease liabilities	149.3	112.1	85.1	62.8	45.6	143.4
<b>Total financial liabilities</b>	<b>2,061.4</b>	<b>985.8</b>	<b>202.7</b>	<b>378.1</b>	<b>52.1</b>	<b>294.4</b>

(i) \$300.0 million (2024: \$522.0 million) of the bank loan liabilities relate to loan principal obligations with the balance relating to interest obligations for the current drawn profile. These interest obligations are set by reference to the relevant quarterly or monthly floating interest rate at the reporting date. Note that the principal and interest obligations are subject to change based on the actual drawn profile and changes in market interest rate.

(ii) Includes assets and liabilities. The derivative instruments are subject to change as interest rates and exchange rates change.

## Recognition and measurement

### Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. Any gains or losses arising from changes in fair value of derivatives, except those that qualify as effective hedges, are immediately recognised in profit or loss. These are presented as current assets or liabilities to the extent they are expected to settle within 12 months after the end of the reporting period. There were no fair value hedges in the year ended 30 June 2025.

### Hedge accounting

AASB 9 aligns the accounting for hedging instruments closely with the Group's risk management objectives and strategy and applies a more qualitative and forward-looking approach to assessing hedge effectiveness. The Group has elected to adopt the general hedge accounting model in AASB 9. AASB 9 includes requirements on rebalancing hedge relationships and prohibiting voluntary discontinuation of hedge accounting.

### Fair value hedges

Fair value hedges are used to hedge the exposure to changes in the fair value of a recognised asset, liability or firm commitment. For fair value hedges, changes in the fair value of the derivative, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk, are immediately recorded in profit or loss. Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting.

### Cash flow hedges

Cash flow hedges are used to hedge risks associated with contracted and highly probable forecast transactions. For cash flow hedges, the effective portion of changes in the fair value of the derivative is deferred in equity and the gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are transferred to profit or loss in the same period the hedged item is recognised in profit or loss. When the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred to form part of the initial measurement of the cost of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss. If the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting, any gain or loss deferred in equity remains in equity until the forecast transaction occurs.

### G3. Other financial assets and liabilities

2025 \$'m	Financial assets		Financial liabilities	
	Current	Non-current	Current	Non-current
<b>At amortised cost<sup>(i)</sup>:</b>				
Other financial assets	1.0	1.9	-	-
Advances to/from joint ventures and associates	1.4	3.4	1.4	-
Deferred consideration	3.5	-	-	-
	<b>5.9</b>	<b>5.3</b>	<b>14</b>	<b>-</b>
<b>At fair value:</b>				
<b>Level 2</b>				
Foreign currency forward contracts – Cash flow hedge	1.2	0.6	0.4	-
Cross-currency and interest rate swaps – Cash flow hedge	23.4	-	6.4	19.4
	<b>24.6</b>	<b>0.6</b>	<b>6.8</b>	<b>19.4</b>
<b>Level 3</b>				
Unquoted equity investments – Fair value through OCI	-	16.9	-	-
	<b>-</b>	<b>16.9</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>30.5</b>	<b>22.8</b>	<b>8.2</b>	<b>19.4</b>

(i) Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different from their carrying amounts.

2024 \$'m	Financial assets		Financial liabilities	
	Current	Non-current	Current	Non-current
<b>At amortised cost<sup>(i)</sup>:</b>				
Other financial assets	13.2	5.7	-	-
Advances to/from joint ventures and associates	5.9	2.9	2.5	-
Deferred consideration	-	-	2.0	-
	<b>19.1</b>	<b>8.6</b>	<b>4.5</b>	<b>-</b>
<b>At fair value:</b>				
<b>Level 2</b>				
Foreign currency forward contracts – Cash flow hedge	0.7	0.1	3.6	0.5
Cross-currency and interest rate swaps – Cash flow hedge	0.3	19.6	5.1	20.9
	<b>1.0</b>	<b>19.7</b>	<b>8.7</b>	<b>21.4</b>
<b>Level 3</b>				
Unquoted equity investments – Fair value through OCI	-	17.8	-	-
	<b>-</b>	<b>17.8</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>20.1</b>	<b>46.1</b>	<b>13.2</b>	<b>21.4</b>

(i) Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different from their carrying amounts.

## Reconciliation of Level 3 fair value measurements of financial assets

The fair value of Level 3 investments has decreased by \$0.9 million from prior year (2024: \$0.2 million decrease) due to revaluation and return on investment.

## Recognition and measurement

### Fair value measurement

When a derivative is designated as the cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

### Valuation of financial instruments

For financial instruments measured and carried at fair value, the Group uses the following to categorise the methods used:

- Level 1: fair value is calculated using quoted prices in active markets for identical assets or liabilities
- Level 2: fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data. During the year there were no transfers between Level 1, Level 2 and Level 3 fair value hierarchies.

The following table shows the valuation technique used in measuring Level 2 and 3 fair values, as well as significant unobservable inputs used:

Type	Valuation technique	Significant unobservable input
Cross-currency and interest rate swaps	Calculated using the present value of the estimated future cash flows based on observable yield curves.	Not applicable.
Foreign currency forward contracts	Calculated using forward exchange rates prevailing at the balance sheet date.	Not applicable.
Unquoted equity investments	Calculated based on the Group's interest in the net assets of the unquoted entities.	Assumptions are made with regard to future expected revenues and discount rates. Changing the inputs to the valuations to reasonably possible alternative assumptions would not significantly change the amounts recognised in profit or loss, total assets or total liabilities, or total equity.

# Consolidated entity disclosure statement

for the year ended 30 June 2025

## Basis for preparation

The consolidated entity disclosure statement has been prepared in accordance with the *Corporations Act 2001* (Cth), and includes information for each entity that was part of the consolidated entity as at 30 June 2025.

## Determination of tax residency

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

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

### Australian tax residency

The consolidated entity has applied the current legislation and guidance including having regard to the Australian Taxation Office's public guidance in Tax Ruling TR 2018/5 and Practical Compliance Guidance 2018/9..

### Foreign tax residency

The consolidated entity has applied current legislation and relevant revenue authority guidance in the determination of foreign tax residency.

Entity name	Entity type	Bodies Corporate		Tax residency	
		Place incorporated or formed	Ownership interest	Australian or foreign	Foreign Jurisdiction
Downer EDI Limited (the Parent)	Body Corporate	Australia	100%	Australian	N/A
ACN 009 173 040 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Aladdin Group Services Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Aladdin Laundry Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Aladdin Linen Supply Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Aladdins Holdings Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
ASPIC Infrastructure Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Asset Services (Aust) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Berkeley Challenge (Management) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Berkeley Challenge Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Berkeley Railcar Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Berkeleys Franchise Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Bonnyrigg Management Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Changchun Ao Hua Technical Consulting Co Ltd	Body Corporate	China	100%	Foreign	China
Cleandomain Proprietary Limited	Body Corporate	Australia	100%	Australian	N/A
Cleanevent Australia Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Cleanevent Holdings Pty. Limited	Body Corporate	Australia	100%	Australian	N/A



Entity name	Entity type	Bodies Corporate		Tax residency	
		Place incorporated or formed	Ownership interest	Australian or foreign	Foreign Jurisdiction
Cleanevent International Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Cleanevent Technology Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Concrete Pavement Recycling Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
DGL Investments Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
DM Roads Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
DMH Electrical Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
DMH Maintenance and Technology Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
DMH Plant Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Construction (Fiji) Pte Limited	Body Corporate	Fiji	100%	Foreign	Fiji
Downer Construction (New Zealand) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer EDI Associated Investments Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering (S) Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Downer EDI Engineering Company Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering CWH Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering Electrical Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering Group Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering Holdings (Thailand) Limited	Body Corporate	Thailand	100%	Foreign	Thailand
Downer EDI Engineering Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering PNG Limited	Body Corporate	Papua New Guinea	100%	Foreign	Papua New Guinea
Downer EDI Engineering Power Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer EDI Engineering Power Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering (Thailand) Ltd	Body Corporate	Thailand	100%	Foreign	Thailand
Downer EDI Group Insurance Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Downer EDI Limited Tax Deferred Employee Share Plan	Trust	N/A	N/A	Australian	N/A
Downer EDI Mining - Ghana Limited <sup>(9)</sup>	Body Corporate	Ghana	100%	Foreign	Ghana
Downer EDI Mining Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Mining-Minerals Exploration Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Rail (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Downer EDI Rail Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Works (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong

Entity name	Entity type	Bodies Corporate		Tax residency	
		Place incorporated or formed	Ownership interest	Australian or foreign	Foreign Jurisdiction
Downer EDI Works Pty Ltd	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
Downer EDI Works Vanuatu Limited	Body Corporate	Vanuatu	100%	Foreign	Vanuatu
Downer Energy Systems Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer Group Finance Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer Investments Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer KHS JV	Partnership	Australia	N/A	Australian	N/A
Downer Mining Regional NSW Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer New Zealand Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer New Zealand Projects 1 Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer New Zealand Projects 2 Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer PipeTech Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer PPP Investments Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Professional Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Downer QTMP Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Singapore Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Downer Utilities Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Utilities Holdings Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Utilities New Zealand Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer Utilities New Zealand Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Utilities SDR Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Victoria PPP Maintenance Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
EDI Rail PPP Maintenance Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
EDICO Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Emoleum Partnership	Partnership	Australia	N/A	Australian	N/A
Emoleum Road Services Pty Ltd	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
Emoleum Roads Group Pty Ltd	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
Envista Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Errolon Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Evans Deakin Industries Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Fieldforce Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Fowlers Asphalt Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Gippsland Asphalt Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Green Vision Recycling Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand

Entity name	Entity type	Bodies Corporate		Tax residency	
		Place incorporated or formed	Ownership interest	Australian or foreign	Foreign Jurisdiction
Hawkins Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Hawkins Projects 1 Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Infrastructure Constructions Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
International Linen Service Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
ITS Pipetech Pacific (Fiji) Pte Limited	Body Corporate	Fiji	100%	Foreign	Fiji
KHSA Limited	Body Corporate - Partner in Partnership	Jersey	100%	Australian	N/A
LNK Group Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Lowan (Management) Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Maclab Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
MD Mineral Technologies Africa (Pty) Ltd	Body Corporate	South Africa	100%	Foreign	South Africa
MD Mineral Technologies Private Limited	Body Corporate	India	100%	Foreign	India
MD Mining and Mineral Services (Pty) Ltd	Body Corporate	South Africa	70%	Foreign	South Africa
Mineral Technologies (Holdings) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Mineral Technologies Comercio de Equipamentos para Processamento de Minerais LTDA	Body Corporate	Brazil	100%	Foreign	Brazil
Mineral Technologies Inc.	Body Corporate	Canada	100%	Foreign	Canada
Mineral Technologies Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Mineral Technologies, Inc.	Body Corporate	USA	100%	Foreign	USA
Monteon Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Nationwide Venue Management Pty Limited	Body Corporate	Australia	100%	Australian	N/A
New South Wales Spray Seal Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Pacific Industrial Services BidCo Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Pacific Industrial Services FinCo Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Primary Producers Improvers Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Rail Services Victoria Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Richter Drilling (PNG) Limited	Body Corporate	Papua New Guinea	100%	Foreign	Papua New Guinea
Riley Shelley Services Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Roche Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RPC Roads Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RPQ Asphalt Pty. Ltd.	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
RPQ JV	Partnership	Australia	N/A	Australian	N/A
RPQ Mackay Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RPQ North Coast Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
RPQ Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RPQ Services Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A

Entity name	Entity type	Bodies Corporate		Tax residency	
		Place incorporated or formed	Ownership interest	Australian or foreign	Foreign Jurisdiction
RPQ Spray Seal Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Skilltech Consulting Services Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Skilltech Metering Solutions Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Smarter Contracting Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Southern Asphalters Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Sports Venue Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Defence Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Facility Services (NZ) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Spotless Facility Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Financing Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Group Holdings Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Group Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Holdings (NZ) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Spotless Investment Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Management Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Property Cleaning Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Securities Plan Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Services Australia Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Services International Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Services Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Treasury Pty Limited	Body Corporate	Australia	100%	Australian	N/A
SSL Asset Services (Management) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
SSL Facilities Management Real Estate Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
SSL Security Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Tarmac Linemarking Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Taylors Two Two Seven Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Trenchless Group Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Trico Asphalt Pty. Ltd.	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
UAM Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Utility Services Group Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Utility Services Group Limited	Body Corporate	Australia	100%	Australian	N/A
VEC Civil Engineering Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
VEC Plant & Equipment Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Waste Solutions Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Works Finance (NZ) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand

(i) Entity dissolved as at 30 June 2025.

# Directors' Declaration

for the year ended 30 June 2025

In the opinion of the Directors of Downer EDI Limited:

- a. The financial statements and notes set out on pages 123 to 204 are in accordance with the *Australian Corporations Act 2001* (Cth), including:
  - i. Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii. The financial statements and notes thereto give a true and fair view of the financial position and performance of the Company and the consolidated entity;
- b. There are reasonable grounds to believe that Downer EDI Limited will be able to pay its debts as and when they become due and payable;
- c. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth);
- d. The attached financial statements are in compliance with International Financial Reporting Standards, as noted in Note A to the financial statements; and
- e. The consolidated entity disclosure statement is true and correct.

At the date of this declaration, there are reasonable grounds to believe that the Company and the companies to which ASIC Corporations (Wholly owned Companies) Instrument 2016/785 applies, as detailed in Note F5 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the *Corporations Act 2001* (Cth).

On behalf of the Directors



Mark Menhinnitt  
**Chair**



Peter Tompkins  
**Managing Director and Chief Executive Officer**

Sydney, 21 August 2025

# Aotearoa New Zealand Climate Standards Climate-related Disclosures Reference Table

Objective	Category	Provision	Page Reference in Report
<b>Governance</b>  To enable primary users to understand both the role an entity's governance body plays in overseeing climate-related risks and climate-related opportunities, and the role of management	7. Disclosures	1. the identity of the governance body responsible for oversight of climate-related risks and opportunities;	Downer 2025 Annual Report – Climate governance, page 56
		2. a description of the governance body's oversight of climate-related risks and opportunities (see paragraph 8); and	Downer 2025 Annual Report – Climate governance, page 56
		3. a description of management's role in assessing and managing climate-related risks and opportunities (see paragraph 9)	Downer 2025 Annual Report – Climate governance, page 56
	8. Governance body oversight	1. the processes and frequency by which the governance body is informed about climate-related risks and opportunities;	Downer 2025 Annual Report – Climate governance, page 56
		2. how the governance body ensures that the appropriate skills and competencies are available to provide oversight of climate-related risks and opportunities;	Downer 2025 Annual Report – Climate governance, page 56
		3. how the governance body considers climate-related risks and opportunities when developing and overseeing implementation of the entity's strategy; and	Downer 2025 Annual Report – Climate governance, page 56
		4. how the governance body sets, monitors progress against, and oversees achievement of metrics and targets for managing climate-related risks and opportunities, including whether and, if so, how related performance metrics are incorporated into remuneration policies (see also paragraph 22(h)).	Downer 2025 Annual Report – Climate governance, page 56
	Management's role	1. how climate-related responsibilities are assigned to management-level positions or committees, and the process and frequency by which management-level positions or committees engage with the governance body;	Downer 2025 Annual Report – Climate governance, page 56; Executive and Management oversight, page 58
		2. the related organisational structure(s) showing where these management-level positions and committees lie; and	Downer 2025 Annual Report – Climate governance, page 56; Executive and Management oversight, page 58
		3. the processes and frequency by which management is informed about, makes decisions on, and monitors, climate-related risks and opportunities.	Downer 2025 Annual Report – Climate governance, page 56; Executive and Management oversight, page 58

Objective	Category	Provision	Page Reference in Report
<b>Strategy</b>  To enable primary users to understand both the role an entity's governance body plays in overseeing climate-related risks and climate-related opportunities, and the role management has undertaken, the climate-related risks and opportunities an entity has identified, the anticipated impacts and financial impacts of these, and how an entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future.	11. Disclosures	1. a description of its current climate-related impacts (see paragraph 12);	Downer 2025 Annual Report – Climate change resilience, pages 59-64
		2. description of the scenario analysis it has undertaken (see paragraph 13);	Downer 2025 Annual Report – Scenario analysis, page 61
		3. a description of the climate-related risks and opportunities it has identified over the short, medium, and long term (see paragraph 14);	Downer 2025 Annual Report – Scenario Analysis and Current year and anticipated impacts, page 62
		4. a description of the anticipated impacts of climate-related risks and opportunities (see paragraph 15); and	Downer 2025 Annual Report – Scenario analysis and Current year and anticipated impacts. Downer has utilised Adoption provision 2 of NZ CS 2 in not providing the anticipated financial impacts of its physical and transition risks., page 62
		5. how the governance body ensures that the appropriate skills and competencies are available to provide oversight of climate-related risks and opportunities;	Downer 2025 Annual Report – Scenario analysis and Current year and anticipated impacts. Downer has utilised Adoption provision 2 of NZ CS 2 in not providing the anticipated financial impacts of its physical and transition risks., page 62
	12. Current impacts and financial impacts	a. its current physical and transition impacts;	Downer 2025 Annual Report – Climate change resilience, page 59
		b. the current financial impacts of its physical and transition impacts identified in paragraph 12(a);	Downer 2025 Annual Report – Climate change resilience, page 59
		c. if the entity is unable to disclose quantitative information for paragraph 12(b), an explanation of why that is the case.	N/A
	13. Scenario analysis undertaken	An entity must describe the scenario analysis it has undertaken to help identify its climate-related risks and opportunities and better understand the resilience of its business model and strategy. This must include a description of how an entity has analysed, at a minimum, a 1.5 degrees Celsius climate-related scenario, a 3 degrees Celsius or greater climate-related scenario, and a third climate-related scenario.	Downer 2025 Annual Report – Scenario analysis, page 61  Downer 2025 Climate-related Disclosures Basis of Preparation, page 220



Objective	Category	Provision	Page Reference in Report
	14. Climate-related risks and opportunities	a. how it defines short, medium and long term and how the definitions are linked to its strategic planning horizons and capital deployment plans;	Downer 2025 Annual Report – Scenario analysis, page 61
		b. whether the climate-related risks and opportunities identified are physical or transition risks or opportunities, including, where relevant, their sector and geography;	Downer 2025 Annual Report – Scenario analysis, page 61
		c. how climate-related risks and opportunities serve as an input to its internal capital deployment and funding decision-making processes.	Downer 2025 Annual Report – Scenario analysis, page 61
	15. Anticipated impacts and financial impacts	a. the anticipated impacts of climate-related risks and opportunities reasonably expected by the entity;	Downer 2025 Annual Report – Scenario analysis, page 62
		b. the anticipated financial impacts of climate-related risks and opportunities reasonably expected by an entity;	Downer has utilised Adoption Provision 2 of NZ CS 2; The explanation for why this is the case is located at – Downer 2025 Annual Report, page 62
		c. a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur; and	Downer 2025 Annual Report – Scenario analysis and Current year and anticipated impacts. Downer has utilised Adoption provision 2 of NZ CS 2 in not providing the anticipated financial impacts of its physical and transition risks, page 62
		d. if an entity is unable to disclose quantitative information for paragraph 15(b), an explanation of why that is the case.	Downer 2025 Annual Report, page 62
	16. Transition plan aspects of its strategy	a. a description of its current business model and strategy;	Downer 2025 Annual Report – The Downer ecosystem, page 8; Transition plan aspects of Downer's strategy, page 69
		b. the transition plan aspects of its strategy, including how its business model and strategy might change to address its climate-related risks and opportunities;	Downer 2025 Annual Report – Transition plan aspects of Downer's strategy, page 69
		c. the extent to which transition plan aspects of its strategy are aligned with its internal capital deployment and funding decision-making processes.	Downer 2025 Annual Report – Transition plan aspects of Downer's strategy, page 69

Objective	Category	Provision	Page Reference in Report
<b>Risk management</b>  To enable primary users to understand how an entity's climate-related risks are identified, assessed and managed and how those processes are integrated into existing risk management processes.	18. Disclosures	a. a description of its processes for identifying, assessing and managing climate-related risks (see paragraph 19); and	Downer 2025 Annual Report - Risk management, page 72
		b. a description of how its processes for identifying, assessing, and managing climate-related risks are integrated into its overall risk management processes.	Downer 2025 Annual Report - Risk management, page 72
	19. Disclosures	a. the tools and methods used to identify, and to assess the scope, size, and impact of, its identified climate-related risks;	Downer 2025 Annual Report - Risk management, page 72
		b. the short-term, medium-term, and long-term time horizons considered, including specifying the duration of each of these time horizons;	Downer 2025 Annual Report - Risk management, page 72
		c. whether any parts of the value chain are excluded;	Downer 2025 Annual Report - Statement of Compliance, page 56; Scenario analysis, page 61; Risk management, page 72
		d. the frequency of assessment; and	Downer 2025 Annual Report - Risk management, page 72
		e. its processes for prioritising climate-related risks relative to other types of risks.	Downer 2025 Annual Report - Risk management, page 72

Objective	Category	Provision	Page Reference in Report
<b>Metrics and targets</b>  To enable primary users to understand how an entity measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis upon which primary users can compare entities within a sector or industry.	21. Disclosures	a. the metrics that are relevant to all entities regardless of industry and business model (see paragraph 22);	Downer 2025 Annual Report – Metrics and targets, pages 74-75
		b. industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities;	Downer 2025 Annual Report – Metrics and targets, pages 74-75
		c. any other key performance indicators used to measure and manage climate-related risks and opportunities;	No other applicable KPIs disclosed
		d. the targets used to manage climate-related risks and opportunities, and performance against those targets (see paragraph 23).	Downer 2025 Annual Report – Metrics and targets, pages 74-75, Downer’s energy and emissions performance, page 75
	22. Metric categories	a. greenhouse gas (GHG) emissions: gross emissions in metric tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) classified as (see paragraph 24):	Downer 2025 Annual Report – Downer’s energy and emissions performance, page 75
		i. Scope 1;	Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 224-235
		ii. Scope 2 (calculated using the location-based method);	Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 224-235
		iii. Scope 3;	Downer has utilised Adoption Provision 4 of NZ CS 2
		b. GHG emissions intensity;	Downer 2025 Annual Report – Downer’s energy and emissions performance, page 75
		c. transition risks: amount or percentage of assets or business activities vulnerable to transition risks;	Downer 2025 Annual Report – Metrics and targets, pages 74-75
		d. physical risks: amount or percentage of assets or business activities vulnerable to physical risk;	Downer 2025 Annual Report – Metrics and targets, pages 74-75
		e. climate-related opportunities: amount or percentage of assets, or business activities aligned with climate-related opportunities;	Downer 2025 Annual Report – Metrics and targets, pages 74-75
		f. capital deployment: amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities;	Downer 2025 Annual Report – Metrics and targets, pages 74-75

Objective	Category	Provision	Page Reference in Report
Metrics and targets <i>continued</i>		g. internal emissions price: price per metric tonne of CO <sub>2</sub> e used internally by an entity; and	Downer 2025 Annual Report – Metrics and targets, pages 74-75
		h. remuneration: management remuneration linked to climate-related risks and opportunities in the current period, expressed as a percentage, weighting, description or amount of overall management remuneration [see also paragraph 8(d)(i)].	Downer 2025 Annual Report – Metrics and targets, pages 74-75
	23. Targets	a. the timeframe over which the target applies;	Downer 2025 Annual Report – Greenhouse gas emissions targets, page 73
		b. any associated interim targets;	Downer 2025 Annual Report – Greenhouse gas emissions targets, page 73
		c. the base year from which progress is measured;	Downer 2025 Annual Report – Greenhouse gas emissions targets, page 73
		d. a description of performance against the targets; and	Downer 2025 Annual Report – Downer’s energy and emissions performance, page 75
		e. for each GHG emissions target:	Downer 2025 Annual Report – Greenhouse gas emissions targets, page 73
		i. whether the target is an absolute target or intensity target;	
		ii. the entity’s view as to how the target contributes to limiting global warming to 1.5°C;	
		iii. the entity’s basis for the view expressed in 23(e)(ii), including any reliance on the opinion or methods provided by third parties; and	
		iv. the extent to which the target relies on offsets, whether the offsets are verified or certified, and if so, under which scheme or schemes.	
	24. GHG emissions	a. a statement describing the standard or standards that its GHG emissions have been measured in accordance with;	Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 224-235
		b. the GHG emissions consolidation approach used: equity share, financial control, or operational control;	Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 224-235
		c. the source of emission factors and the global warming potential (GWP) rates used or a reference to the GWP source; and	Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 224-235
		d. a summary of specific exclusions of sources, including facilities, operations or assets with a justification for their exclusion.	Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 224-235

Objective	Category	Provision	Page Reference in Report
Assurance of GHG emissions	25. and 26. Assurance of GHG emissions	Part 7A of the Financial Markets Conduct Act 2013 requires that the disclosure of an entity's GHG emissions as required by Aotearoa New Zealand Climate Standards is the subject of an assurance engagement. This standard requires that this assurance engagement is a limited assurance engagement at a minimum.	Downer 2025 Climate and Sustainability Independent Limited Assurance Report,  Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 220-223
		a. GHG emissions: gross emissions in metric tonnes of CO <sub>2</sub> e classified as [see paragraph 22(a)]:  i. Scope 1;  ii. Scope 2 (calculated using the location-based method);	Downer 2025 Climate and Sustainability Independent Limited Assurance Report,  Downer has utilised Adoption Provision 4 and 8 of NZ CS 2
		b. additional requirements for the disclosure of GHG emissions (see paragraph 24);	Downer 2025 Climate and Sustainability Independent Limited Assurance Report,
		c. GHG emissions methods, assumptions and estimation uncertainty (see NZ CS 3 General Requirements for Climate-related Disclosures paragraphs 52 to 54).	Downer 2025 Climate and Sustainability Independent Limited Assurance Report,
NZ CS 3 Requirements	49. Methods and assumptions, and data and estimation uncertainty	a. provide a description of the methods and assumptions used in the preparation of its climate-related disclosures where they are not apparent, including the limitations of those methods.	Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 220-235

Objective	Category	Provision	Page Reference in Report
NZ CS 3 Requirements <i>continued</i>		b. identify aspects of its disclosure (including amounts) that involve data and estimation uncertainty, disclosing the sources and nature of data and estimation uncertainties.	Downer 2025 Annual Report - Downer's energy and emissions performance, page 75  Downer 2025 Annual Report - Climate-related disclosure Basis of Preparation, pages 220-235
	51. Scenario analysis methods and assumptions	<p>a. the climate-related scenarios it has used, including:</p> <p>i. a brief description of each scenario narrative; NZ CS 3 15</p> <p>ii. the time horizons considered, including endpoints and whether the endpoints are determined by a year or a temperature target;</p> <p>iii. a description of the various emissions reduction pathways in each scenario and the assumptions underlying pathway development over time, including the scope of operations covered, policy and socioeconomic assumptions, macroeconomic trends, energy pathways, carbon sequestration from afforestation and engineered solutions and technology assumptions including negative emissions technology;</p> <p>iv. an explanation of why the entity believes the chosen scenarios are relevant and appropriate to assessing the resilience of the entity's business model and strategy to climate-related risks and opportunities; and</p> <p>v. the sources of data used to construct each scenario.</p>	<p>Downer 2025 Annual Report - Scenario analysis, page 61</p> <p>Downer 2025 Annual Report - Climate-related disclosure Basis of Preparation, pages 220-223</p>

Objective	Category	Provision	Page Reference in Report
NZ CS 3 Requirements <i>continued</i>	51. Scenario analysis methods and assumptions	<p>b. how the scenario analysis process has been conducted, including:</p> <p>i. whether scenario analysis is a standalone analysis or is integrated within the entity's strategy processes;</p> <p>ii. the governance process used to oversee and manage the scenario analysis process, including the role of the governance body and management;</p> <p>iii. if modelling has been undertaken, a clear description of what modelling was undertaken and why the model was chosen as the appropriate model; and</p> <p>iv. which external partners and stakeholders are involved.</p>	Downer 2025 Annual Report – Scenario analysis, page 61
	52. to 54. GHG emissions methods, assumptions and estimation uncertainty	52. An entity must provide a description of the methods and assumptions used to calculate or estimate GHG emissions, and the limitations of those methods. When choices between different methods are allowed, or entity-specific methods are used, an entity must disclose the methods used and the rationale for doing so.	Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 224-235
		53. An entity must describe uncertainties relevant to the entity's quantification of its GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures.	<p>Downer 2025 Annual Report – Downer's energy and emissions performance, page 75</p> <p>Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 224-235</p>
		54. An entity must provide an explanation for any base year GHG emissions restatements.	<p>Downer 2025 Annual Report – Greenhouse gas emissions targets page 73, Downer's energy and emissions performance page 75</p> <p>Downer 2025 Annual Report – Climate-related disclosure Basis of Preparation, pages 224-235</p>
	55. to 56. Statement of compliance	55. An entity whose climate-related disclosures comply with Aotearoa New Zealand Climate Standards must include an explicit and unreserved statement of compliance. All requirements must be complied with for an entity to state compliance with Aotearoa New Zealand Climate Standards.	Downer 2025 Annual Report – Statement of Compliance, page 56
		56. The statement of compliance must be presented prominently within an entity's climate-related disclosures.	Downer 2025 Annual Report – Statement of Compliance, page 56



# Climate-related Disclosures Basis of Preparation

Downer has prepared its 2025 Climate statement in accordance with criteria and methodologies laid out in this document.

## Climate statement

Downer has prepared the 2025 Climate statement in accordance with the *Aotearoa New Zealand Climate Standards (NZ CS) 1-3*.

Key determinations, assumptions, judgements and estimates are laid out below:

## Scenario analysis

Downer has chosen three scenarios to inform its scenario analysis in FY25, serving two key purposes:

1. To satisfy the requirements of NZ CS 1 section 13 (i.e. how an entity has analysed, at a minimum, a 1.5°C climate-related scenario, a 3°C or greater climate-related scenario, and a third climate-related scenario)
2. To assess Downer's strategy against potential impacts of physical and transition risks and climate-related opportunities.

We used the following data sources in constructing our scenarios:

- NGFS Climate Scenarios<sup>1</sup>
- Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report<sup>2</sup>

**Time horizons used in scenario analysis were as follows:**

**Physical risks:** Short term (2030), medium term (2050), long term (2070).

**Transition risks and opportunities:** Short term (2030), medium term (2040), long term (2050).

For physical climate analysis, asset life has been taken into consideration as well as the trajectory of physical hazards changing over the course of the century. For transition analysis, the time horizons reflect the key inflection points of transition drivers, to best inform and test Downer's strategy.

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<sup>1</sup> <https://www.ngfs.net/ngfs-scenarios-portal>.

<sup>2</sup> [https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC\\_AR6\\_SYR\\_LongerReport.pdf](https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf).

Full details on scenarios chosen, and the basis for these choices, were as follows:

### Climate Scenarios and inputs utilised by Downer in FY25

Scenario	Temperature	Scenario narrative	Basis
<b>NGFS Scenario inputs</b>			
Orderly, net zero 2050, NGFS [Low climate change scenario]	1.5°C	Global CO <sub>2</sub> emissions reach or approach net zero in 2050 (with a medium reliance on carbon removals). Policy reaction is immediate, and technology change occurs at a rapid pace. Australia and New Zealand reduce emissions to net zero. A steady, but sharp increasing carbon price is experienced.	This scenario was chosen as an input to model an economy where the world, including Australia and New Zealand, rapidly and uniformly decarbonises, to demonstrate potential high-end transition risk exposure to inform strategy.
Disorderly, delayed transition, NGFS [Medium climate change scenario]	2°C	Countries stick to current policies and technologies until 2030. From there, policy change is rapid, while technology change occurs at a fast pace, although there is a high level of regional variation. Carbon prices remain stagnant through to 2030, and then rise rapidly but not uniformly across jurisdictions.	This scenario was chosen as an input to model an economy where the world, including Australia and New Zealand, decarbonises but at a more fragmented pace, to demonstrate potential transition risks under a more moderate transition scenario.
Current policies, NGFS [High climate change scenario]	3°C	Countries have started introducing climate policies that are not yet sufficient to achieve commitments and targets. 3°C or more of warming would occur by 2100 with no other measures introduced, resulting in deteriorating living conditions and disruptions to ecosystems, health, infrastructure and supply chains.	This scenario was chosen as an input to model an economy where the world, including Australia and New Zealand, takes no additional climate action.
<b>IPCC Scenario inputs</b>			
Low climate change scenario, SSP 1; RCP 2.6 [Low climate change scenario]	~1.8°C	Aggressive emissions mitigation scenarios, with warming kept below 2.0°C. Strong climate policies and shifts to renewable energy and low-carbon technologies drive emissions reductions.	This scenario was chosen as an input to model Downer's exposure to physical risks under a low warming scenario where climate action and policy is in place and climate impact are lower.
Medium climate change scenario, SSP 2; RCP 4.5 [Medium climate change scenario]	~2.7°C	Middle-of-the-road scenario with gradual emissions reductions. International cooperation is limited with some climate policies implemented. A mix of renewables and fossil fuels is present.	This scenario was chosen as an input to model Downer's exposure to physical risks under a moderate warming scenario that support policy options for decarbonisation and a range of plausible climate conditions.
High climate change scenario, SSP 3; RCP 7.0 [High climate change scenario]	~3.6°C	Limited emissions mitigation scenarios, with emissions peaking in 2030, with incremental emissions reductions through mid-century. Medium levels of tech development with uneven adoption. Carbon price is present in certain jurisdictions; however, it is fragmented and not sufficient to drive emission reductions.	This scenario was chosen as an input to model Downer's exposure to physical risks under a high warming scenario where some decarbonisation occurs but significant temperature increases are experienced, and climate impacts are high.

#### Key terms in table:

NGFS = Network for Greening the Financial System. SSP = Shared Socio-Economic Pathway.

RCP = Representative Concentration Pathway.

The scenarios have been determined with the support of Deloitte for the Group's FY25 standalone scenario analysis. The scenarios are largely consistent with those utilised by Downer historically. However, Downer has included one additional scenario input from both NGFS and IPCC, respectively compared to FY24. Downer has elected to assess and test its business model under three climate scenarios for both physical and transition climate-related risks and opportunities in FY25, providing a balanced view of potential impacts across prioritised climate-related risks and opportunities. From NGFS, the Current Policies scenario has been included this year as an input to the high climate change scenario. From IPCC, the addition of the 'SSP1/RCP2.6' scenario has been included in the analysis as an input to the low climate change scenario. Further, Downer replaced the 'SSP 5/RCP 8.5' scenario previously utilised for analysis of physical risks with the SSP 3/RCP 7.0 scenario for the high climate change scenario. This adjustment acknowledges that projections of the likely temperature changes has shifted and the Group has opted to test its resilience and strategy under a balanced range of temperature outcomes.

Where financial values were derived from the scenarios, these were converted to \$AUD and adjusted for inflation for 2025. This informed the qualitative disclosure produced (anticipated impacts of risks were not quantified in accordance with NZ CS 2: Adoption Provision 2, which Downer chose to adopt in FY25).

## NZ CS 2 Adoption Provisions table

Adoption Provision (NZ CS 2)	Adopted?	Explanation
Adoption provision 1: Current Financial Impacts	Not applicable	Downer has disclosed a quantification of current financial impacts in this year's climate statement.
Adoption provision 2: Anticipated Financial Impacts	Yes	Downer did not disclose a quantification of anticipated financial impacts in this year's climate statement. During the period, Downer commenced quantitative analysis in readiness for quantitative disclosure from FY26.
Adoption provision 3: Transition Planning	Not applicable	Downer has disclosed the transition plan aspects of its strategy on page 69.
Adoption provision 4: Scope 3 GHG Emissions	Yes	Downer has not disclosed its Scope 3 GHG emissions in FY25, due to data quality uncertainties in some categories
Adoption provision 5: Comparatives for Scope 3 GHG Emissions	Yes	Downer has not disclosed comparative data for its Scope 3 GHG emissions, being the FY24 period, as insufficient evidence was able to be obtained to disclose this figure to a level which is materially accurate in last year's Climate Statement. Therefore, Downer has removed comparatives in FY25.
Adoption provision 6: Comparatives for Metrics	Yes	Downer has disclosed one year of comparative information against each metric, with the exception of Scope 3 GHG emissions as detailed in Adoption provision 5.
Adoption provision 7: Analysis of Trends	Yes	Downer has adopted this provision because this is the second year of disclosure for a number of metrics and therefore Downer does not have trends for these metrics at this stage.
Adoption provision 8: Scope 3 GHG emissions assurance	Yes	Downer has adopted this provision because it has not disclosed its Scope 3 GHG emissions in FY25 as described in the explanation for Adoption provision 4.

## Scope 1 and 2 emissions methods and assumptions

Scope 1 and 2 emissions data has been prepared in accordance with the 2025 Energy and Emissions Methodology, with information regarding the preparation of Scope 1 and 2 emissions contained within pages 224-235.

## GHG emissions reduction targets

Downer's emissions reduction targets have been prepared utilising the Science Based Target initiative (SBTi)'s Corporate Near Term Target setting tool, and the SBTi's Net Zero tool. Targets have not been validated with the SBTi and Downer makes no representations that its targets are fully compliant with the requirements of the SBTi Corporate Net Zero Standard.

## References

### Aotearoa New Zealand Climate Standards 1-3:

<https://www.xrb.govt.nz/standards/climate-related-disclosures/aotearoa-new-zealand-climate-standards/>

### Intergovernmental Panel on Climate Change Sixth Assessment Report:

[https://www.ipcc.ch/site/assets/uploads/2022/04/AR6\\_Factsheet\\_April\\_2022.pdf](https://www.ipcc.ch/site/assets/uploads/2022/04/AR6_Factsheet_April_2022.pdf)

### Network for Greening the Financial System Scenarios Portal:

<https://www.ngfs.net/ngfs-scenarios-portal/>

### Science Based Target initiative's Net Zero Standard:

<https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>

## Energy and Emissions data

Downer has prepared selected energy and emissions metrics in accordance with the methodologies set out in this section.

### Energy, Scope 1 and Scope 2 emissions

Downer has prepared the 2025 Sustainability Report data in accordance with the broad principles for reporting energy, Scope 1 and Scope 2 emissions, as set out in the Australian National Greenhouse and Energy Reporting Act 2007<sup>1</sup>. This includes the application of the Operational Control GHG Consolidation approach, across the Group. This excludes the reporting of Energy Production for Downer's non-Australian facilities. For non-Australian facilities, a threshold of 1MW energy generation and 1,000,000 kWh electricity generated was applied for each generator in order to be considered reportable.

Energy, Scope 1 and Scope 2 emissions data reported in this year's Sustainability Report includes data from operational control sites. We have used actual data with estimates made for contractors and suppliers where data was unavailable, as consistent with previous years.

In 2025, we have reported our Scope 2 emissions using both the Location-Based and Market-Based emissions methodologies. Emission factors used in each of these calculations is listed in the Emission Factors section.

Downer has used the Envizi environmental data management system for the whole of the Group, with the exception of Scope 2 – Market-Based, which have been calculated in Excel, derived from consumption data obtained from Envizi and independently sourced emission factors.

### Defining the Corporate Group

Downer reports energy consumed, energy produced and Scope 1 and Scope 2 emissions from its Corporate Group for the annual Sustainability Report and the annual NGER Report (Australian sites only).

The controlling corporation's group is defined using the NGER Act definition and this definition has been adopted and applied across all the countries in which Downer operated. Section 8(1) of the NGER Act defines the controlling corporation's group as comprising:

- the controlling corporation;
- the controlling corporation's subsidiaries covered by subsection (3) (if any);
- the joint ventures covered by subsection (4) (if any); and
- the partnerships covered by subsection (5) (if any).

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<sup>1</sup> National Greenhouse and Energy Reporting Act 2007, Compilation No. 26, effective 14 October 2024.

Only those Group Members with operational control over facilities for at least part of the financial year need to be included – these are defined as ‘affected Group Members’. During FY25, the following key movements occurred:

**Table 1. Key FY25 events affecting the energy and emissions data**

Date	Event	Impact on FY25 Scope 1 and 2 emissions	Impact on FY20 Scope 1 and 2 emissions (emission reduction target baseline)
30 June 2024	On 30 June 2024, assets and liabilities relating to Catering NZ in the Facilities segment were classified as assets and liabilities held for sale.	Emissions relating to contracts within this business will be removed upon date of sale. No restatement to prior comparative periods is necessary due to the insignificance of emissions (<0.01%) from this business relative to Downer’s total emissions inventory.	No restatement to prior comparative periods is necessary due to the insignificance (<0.01%) of emissions from these operations relative to Downer’s total emissions inventory.
1 December 2024	On 1 December 2024, Downer completed an agreement for the sale of the New Zealand catering business (in the Facilities segment) to DHG Hospitality Services NZ Pty Limited.		
31 December 2024	Downer undertook a strategic review and negotiated with Keolis Australia Pty Ltd to divest our 49% interest in Keolis Downer Pty Ltd (reclassified to an asset held for sale in the Transport segment), with valuation in accordance with the shareholder agreement. At 31 December 2024, Downer’s 49% interest in Keolis Downer Pty Ltd (in the Transport segment) was classified as an asset held for sale.	No emissions accounted for within Downer’s Scope 1 and 2 boundary, therefore no impact.	No emissions accounted for within Downer’s Scope 1 and 2 boundary, therefore no impact.

Date	Event	Impact on FY25 Scope 1 and 2 emissions	Impact on FY20 Scope 1 and 2 emissions (emission reduction target baseline)
31 December 2024	At 31 December 2024, Downer's equity accounted investment, representing a 29.9% interest in its Australian Laundries business (in the Unallocated segment) was classified as an asset held for sale and equity accounting ceased.	This entity was removed from Downer's emissions inventory in a previous period when management control was relinquished upon the sale of the initial ~70% interest in HT HoldCo Pty Ltd. No impact on FY25 emissions.	This entity was removed from Downer's emissions baseline in a previous period when management control was relinquished upon the sale of the initial ~70% interest in HT HoldCo Pty Ltd. No impact on the FY25 disclosure of FY20 emissions
24 April 2025	On 24 April 2025, Downer announced it had completed the sale of its 29.9% interest in its Australian Laundries business (HT Hold Co Pty Limited) to an Asia Pacific private equity fund managed by Macquarie Asset Management.		
31 December 2024	<p>Downer continued to progress the divestment of the Australian and New Zealand Cleaning business (reclassified to an asset held for sale in the Facilities segment) to a preferred party.</p> <p>At 31 December 2024, Downer's assets and liabilities relating to its Cleaning business (in the Facilities segment) was classified as assets and liabilities held for sale.</p>	Emissions relating to contracts within this business will be removed upon date of sale. No restatement to prior comparative periods is necessary due to the insignificance of emissions (~0.1%) from these operations relative to Downer's total emissions inventory.	No restatement to prior comparative periods is necessary due to the insignificance of emissions (~0.1%) from these operations relative to Downer's total emissions inventory.
13 March 2025	On 13 March 2025, Downer entered into an agreement with Dimeo to sell its Australian and New Zealand cleaning businesses.		
30 June 2025,	The Australian Cleaning business sale completed on 30 June 2025.		
July 2025	The New Zealand Cleaning business sale completed in July 2025.		



Downer has undertaken a rigorous process to identify the affected Group Members which have operational control over facilities as defined by the NGER Act. This process included incorporated and unincorporated joint ventures. The list of facilities included in each year's energy and GHG inventory has been reviewed by Downer Business Units to identify and confirm all operational control facilities and joint ventures for Sustainability and NGER reporting purposes.

## Identification of Covered Energy and GHG Emissions

Downer has included energy and GHG emissions sources for the 2025 Sustainability Report and these are described in this section.

Energy consumption and emissions from the combustion of fuels.

- any energy consumed including electricity and energy sources with or without consumption

Energy production including sources that are used to produce energy for consumption on-site, include:

- any energy production at project sites; and
- any energy produced by solar or other alternative energy generation.

## Scope 2 Location-Based and Market-Based emissions

For Location Based emissions, Downer has calculated this in accordance with the National Greenhouse and Energy Reporting (NGER) Determination 2008<sup>1</sup>, section 7.2.

For Market Based emissions, Downer has calculated this in accordance with the NGER Determination 2008, section 7.4<sup>2</sup>, with the following modifications:

- For the purposes of Downer's Sustainability Report disclosure, Downer has considered its purchases of Renewable Electricity in New Zealand to be equivalent to an Eligible Renewable Energy Certificate described in Section 7.4 (subsection 3) for the purposes of accounting for their renewable electricity attributes.
- Emission factors, including the use of the renewable power purchase percentage (where relevant) are listed as per Table 2 of the Emission Factors section of this Basis of Preparation, and supercede factors listed within the NGER Determination in the event of any clashes.

Downer has purchased Large Generation Certificates through the FY25 period and these will be calculated as deductions within Downer's Market Based Emissions calculation. Downer surrendered 100% of LGCs purchased within the Clean Energy Regulator's portal, and allocated amounts to facilities under Downer's operational control, as well as a portion to the Sydney International Convention Centre, which does not fall under Downer's operational control.

Downer has also purchased renewable energy certificates in various facilities in New Zealand. 100% of electricity usage in those facilities, noted within Downer's emissions management systems, will be considered as zero emissions. The supplier of electricity has verified that an equivalent volume of renewable electricity has been generated into the grid. Downer also witnessed Ecotricity's Toitū Climate Positive certification encompassing their verification of Ecotricity's sourcing of electricity from 100% renewable sources covering the full FY25 period.

## Emission Factors

Each year the emission factors for Scope 1 and Scope 2 emissions are checked against the relevant Australian, Aotearoa New Zealand and international references for the current reporting year.

The emission factors used in the Envizi data management system are managed by Envizi and are updated to match the relevant country-based emission factors for Australia, Aotearoa New Zealand and other countries.

The table below details the emission factors that have been applied and their sources, which contain the relevant global warming potentials for each source.

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<sup>1</sup> National Greenhouse and Energy Reporting (Measurement) Determination 2008, Compilation No. 18, effective 31 August 2024.

**Table 2. Emission factors used for the reporting period for Scope 1 and 2 emissions.**

Country	Reference
Australia	All energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
Brazil	Electricity: IEA Emission Factors Package – 2024 edition Other energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024).
India	Electricity: IEA Emission Factors Package – 2024 edition Other energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
New Zealand	Electricity Measuring emissions: A guide for organisations: 2024 detailed guide Energy sources where no specific NZ factor is available: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
Niue	Electricity IEA Emission Factors Package – 2024 edition Other energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
Solomon Islands	All energy sources (No Electricity use in this jurisdiction): National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
South Africa	Electricity IEA Emission Factors Package – 2024 edition
Tuvalu	All energy sources (No Electricity use in this jurisdiction): National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)

**Table 3. Market-Based v Location-Based emission factors, per jurisdiction.**

State / Country	Location-Based Emission Factor	Market-Based Emission Factor
New South Wales <sup>1</sup>	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3  Renewable power percentage has been taken as half of the 2025 and 2024 National RPPs, as sourced from the Clean Energy Regulator <sup>2</sup>
Australian Capital Territory <sup>3</sup>	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3  Renewable power percentage has been taken as half of the 2025 and 2024 National RPPs, as sourced from the Clean Energy Regulator <sup>4</sup> In addition, the Jurisdictional Renewable Power Percentage has been applied for the ACT. <sup>3</sup>
Northern Territory <sup>3</sup>	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3  Renewable power percentage has been taken as half of the 2025 and 2024 National RPPs, as sourced from the Clean Energy Regulator <sup>4</sup>
South Australia <sup>3</sup>	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3  Renewable power percentage has been taken as half of the 2025 and 2024 National RPPs, as sourced from the Clean Energy Regulator <sup>4</sup>
Western Australia <sup>3</sup>	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3  Renewable power percentage has been taken as half of the 2025 and 2024 National RPPs, as sourced from the Clean Energy Regulator <sup>4</sup>
Queensland <sup>3</sup>	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3  Renewable power percentage has been taken as half of the 2025 and 2024 National RPPs, as sourced from the Clean Energy Regulator <sup>4</sup>
Victoria <sup>3</sup>	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3  Renewable power percentage has been taken as half of the 2025 and 2024 National RPPs, as sourced from the Clean Energy Regulator <sup>4</sup>

<sup>1</sup> Emission factors sourced from National Greenhouse and Energy Reporting (Measurement) Determination 2008, effective 1 July 2024.

<sup>2</sup> <https://cer.gov.au/schemes/renewable-energy-target/renewable-energy-target-liability-and-exemptions/renewable-power-percentage>.

<sup>3</sup> <https://www.dcceew.gov.au/sites/default/files/documents/national-greenhouse-account-factors-2023.pdf>, page 11.

State / Country	Location-Based Emission Factor	Market-Based Emission Factor
Tasmania <sup>3</sup>	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3  Renewable power percentage has been taken as half of the 2025 and 2024 National RPPs, as sourced from the Clean Energy Regulator <sup>4</sup>
New Zealand	Ministry for the Environment Measuring emissions: A guide for organisations: 2024 detailed guide - <a href="https://environment.govt.nz/publications/measuring-emissions-a-guide-for-organisations-2024-detailed-guide/">https://environment.govt.nz/publications/measuring-emissions-a-guide-for-organisations-2024-detailed-guide/</a>  Electricity - New Zealand - kWh - 2023	BraceTrace Annual Residual Supply Mix (PY25) <a href="https://bravetrace.co.nz/residual-supply-mix/">https://bravetrace.co.nz/residual-supply-mix/</a>
Brazil	International Energy Agency – Emission Factors 2024 – Location-Based emission factor	International Energy Agency – Emission Factors 2024 – Location Based emission factor  Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor has been used for ease of calculation.
India	International Energy Agency – Emission Factors 2024 – Location-Based emission factor	International Energy Agency – Emission Factors 2024 – Location Based emission factor  Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor has been used for ease of calculation.
Niue	International Energy Agency – Emission Factors 2024 – Location-Based emission factor	International Energy Agency – Emission Factors 2024 – Location Based emission factor  Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor has been used for ease of calculation.
Solomon Islands	No electricity usage so N/A	No electricity usage so N/A
South Africa	International Energy Agency – Emission Factors 2024 – Location-Based emission factor	International Energy Agency – Emission Factors 2024 – Location Based emission factor  Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor has been used for ease of calculation.
Tuvalu	No electricity usage so N/A	No electricity usage so N/A

## Methods Assessment

Downer has elected to use Method 1 from the NGER Determination, for estimating emissions in Australia and other countries (where the NGER determination is used). This methodology and its associated factors, or country-specific emission factors where available (as noted in Table 1) have been applied to all Scope 1 and Scope 2 emission sources for all of Downer's operations.

For New Zealand, and other non-Australian countries, default emission factors published by the respective national authorities have been used. These sources are listed in Table 2, Emission factors used for the reporting period for Scope 1 and 2 emissions.

## Estimates

In preparing the Sustainability Report, it has been necessary to apply estimates where it was not possible to obtain actual data. Downer considers the basis of any estimates used to be reasonable for reporting GHG emissions and energy data and in keeping with the NGER reporting principles. Downer reviews any manual estimates that are included within the dataset for compliance with NGER Act principles and requirements. In FY25, Downer's Scope 1 and 2 (Location-based) emissions comprised 25.7% estimates (FY24: 24.3%), the details of which are outlined below.

### Automated Estimation

Estimations for the financial year are largely based on the Envizi system's 'Accrual' system, whereby a system-generated estimate is produced for blank data points, contingent on pre-defined qualifying factors. These are described in the following sections.

All of Downer's GHG emissions and energy data are covered by the automated estimation process, except where actual data and manual estimations are entered.

For 'Event' data types where it is known that data input into Envizi is complete for the year, a manual override of accruals has been performed, by placing 'zeros' into the months after the final actual data point for the reporting period. Completeness of actual data has been confirmed through the Business Unit sign-off process before initiating this process on select accounts.

First, to determine the quantum of the estimate across the reporting period, two 'data types' have been set in Envizi. A data type is a setting for each energy source (for example, Electricity) which determines 'when' an estimate calculation will be performed.

**Contiguous Data:** Contiguous data is that which is expected to be unbroken throughout the reporting period. For any missing data points throughout the reporting period, an estimate will be generated. Envizi/Downer<sup>1</sup> has classified electricity, natural gas, business flights and rental cars into this category, where it is assumed that consumption will be continuous throughout any given reporting period.

- Example: For FY20, for a given data source, data is received for the months of July, August, September, December, January, March, and April. Under the Contiguous Data setting, estimates will be generated for all missing months (i.e., October, November, February, May, and June).

**Event Data:** Event data is that which is expected to be sporadic throughout the reporting period, based on a particular event (for example, a fuel delivery). Data is only accrued for complete months forward from the last month containing actual data. Envizi/Downer<sup>2</sup> has classified transport fuels and stationary fuels into this category where the expectation is that fuel is recorded on an 'as delivered' basis, which can sometimes be sporadic throughout the reporting period.

- Example: For FY20 for a given data source, data is received for the months of July, August, September, December, January, March, and April.
- Under the Event Data setting, the only months that are accrued are those which are after the final month containing actual data. As the last month for which actual data was received was April, estimates are only generated for May and June.

Second, to determine the basis of an estimate, a 'calculation method' has been set. A calculation method determines 'how' an estimate is performed for each energy source, based on an assessment of the usage of the energy source and any inherent factors to be considered, such as seasonality.

**Weighted Average:** A weighted average calculation has been chosen for all variables in the reporting period. This was chosen due to its applicability to the nature of Downer's operations, giving the most weight to surrounding months of the same reporting period, while also giving a smaller weight to surrounding months of the previous reporting period, to acknowledge a level of seasonality. The calculation is as follows

<sup>1</sup> Dependent on whether or not the data type is part of Envizi's 'default' library, or whether it is a Downer custom data type.

<sup>2</sup> Dependent on whether or not the data type is part of Envizi's 'default' library, or whether it is a Downer custom data type.

- For any given missing period, data from its immediate month before and immediate month after, are given a weight of 3, and data from the same month last year and the month before in last year, are given a weight of 1. The accruals are calculated as the weighted average of these four months. For example, if Mar-2020 data is missing, then the accruals will be calculated as  $\text{Accruals for Mar-2020} = (\text{Daily Average of Feb-2020} * 3 + \text{Daily Average of Apr-2020} * 3 + \text{Daily Average of Mar-2019} * 1 + \text{Daily Average of Feb-2019} * 1) / (3 + 3 + 1 + 1) * \# \text{ of missing days in Mar-2020}$ .

When some actual data points are missing in the months within the formula, these are weighted as '0'. This is also the case when the estimate has been taken at the end of the reporting period (e.g. the estimate for June 2020 will necessarily not be based on any data for July 2020, being outside the reporting period).

When all actual data points are missing in the months within the formula, the 'Last available month' method is used (explained below).

## Manual Estimation of Energy and GHG Emissions

For certain accounts, related to subcontractor data, the Envizi accruals system is not sufficient to generate a complete and accurate estimate of energy and emissions data. The process for estimating this data is outlined below:

### Subcontractor Data

Downer evaluated the materiality of subcontractor data. The following table represents the initial 'materiality' assessment, based on the qualitative importance of subcontractors per Business Unit.

**Table 4. Summary of inclusion of Business Unit lines of business subcontractor data**

Business Unit	Subcontractors' estimation evaluated as material.	Subcontractors – data collected via sub-contractors form	Methodology of estimation	Source of information
Corporate	No	N/A	N/A	N/A
Rail & Transit Systems	No	N/A	N/A	N/A
Social Infrastructure & Citizen Services	No	N/A	N/A	N/A
Transport & Infrastructure	Yes	Yes	See below	See below
Energy & Utilities	Yes	Yes	See below	See below

### Subcontractor estimation methodology – Australia

Downer's Transport & Infrastructure (T&I) and Energy & Utilities Business Units have an extensive subcontractor base which it uses to conduct activities on its behalf. This is entered into a corresponding location within Envizi. However, some Business Units do not have adequate records of energy consumed during activities undertaken, in particular T&I and Utilities.

Subcontractors are considered a source of uncertainty, in relation to quantifying Downer's GHG emissions. Due to the extent of the subcontractor base and the unavailability of accurate data it has been necessary to include a degree of estimation in this process. For this reporting period, proxies have been calculated using the average of actual data, as a proportion of dollars spent for each subcontractor. The methodology for estimating data is described below:

Subcontractors were grouped into categories on the basis that they perform similar types of work when engaged by Downer and therefore are very likely to use similar types and relative volumes of energy-consuming resources. These categories are as follows:

### Transport and Infrastructure (Australia and NZ)

- Cartage
- Other
- Bitumen cartage (Australia only).

## Energy and Utilities

- Broken down by category as defined in Downer ERP systems.

## Subcontractor estimation methodology – Transport and Infrastructure

### Cartage

The L/\$ proxy applied to subcontractors for which actual data was not obtained in both Australia and New Zealand is based on the ratio of actual usage v spend for data obtained in FY25 in Australia.

### Other

In this financial year, internal managerial codes were used to differentiate between various activities in the 'other' category in Australia. When actual data was collected from at least one subcontractor within a managerial code, an average is calculated for that managerial code, and applied to all other subcontractors within that managerial code category in Australia. In New Zealand, proxies derived from managerial codes were cross referenced to Downer's JDE Categories and applied to subcontractors within those JDE categories

If there is no managerial code or no actual data associated with a managerial code, the overall 'Other' proxy is used for Australian and New Zealand 'Other' subcontractors, based on the average L/\$ spent across all 'Other' subcontractors in Australia.

### Bitumen Cartage (Australia Only)

The L/\$ proxy applied to subcontractors for which actual data was not obtained is based on the ratio of actual usage v spend for data obtained in FY25.

### Exclusions:

Within the 'Other' dataset, Downer performed vetting across top subcontractors to assess that only potentially emissions generating subcontractors were considered within the estimate. Subcontractors were entirely excluded if they were deemed to be part of the following categories:

- Raw material purchases – payments to subcontractors purely for purchases are not related to activity, and therefore no fuel consumption has occurred from these.
- Consultants spend – office based or where no/little fuel was consumed in the course of activities performed while subcontracted by Downer.

For the remaining Subcontractors, Downer deemed that the \$ spent and therefore the likely resource usage was not material enough to perform additional vetting. Downer has included an estimate for all of these subcontractors (for where actual data was not obtained) based on proxy calculations.

The information received from these suppliers formed the actual resource usage data. The remaining energy reported was based on a ratio between actual energy versus equivalent spend which was applied across the remaining spend per category, in accordance with the following formulas:

- Calculate the unique fuel ratio for each category:
- $\text{Average actual resource usage (for relevant FY, in raw units) / \$ of actual spend} = A$
- Calculate estimated fuel usage for the remaining contractors in that category

$$A * (\$ \text{ of remaining contract spend per category for contractors who did not return any actual data}) = B$$

For these calculations, 'remaining spend' is represented by contractors who did not return a contractor evaluation form. For example, if Contractor A returned a form that stated that it used 1,000L of diesel, but no petrol, no extrapolation will be performed for this contractor for petrol, as it has represented that it has used zero petrol.



## Subcontractor estimation methodology – Energy and Utilities

Downer Utilities' subcontractor emissions data is derived from a combination of actual data collected from subcontractors and spend-based estimates. This year, a thorough investigation was conducted across all of business to gain a deeper understanding of subcontractor activities on contracts in Australia and New Zealand. Throughout the year, material subcontractors provided actual data quarterly, followed by a survey in Q4 to gather additional data. This actual data served as a representative sample for estimating the remaining subcontractor emissions, based on the financial spend for FY25. The estimation process also involved reviewing subcontractor types to determine if their services were emissions-generating. The L/\$ proxy applied to subcontractors for which actual data was not obtained is based on the ratio of actual usage v spend for data obtained in FY25.

### Ad-hoc estimates

Manual estimations have been maintained for some sites. These include extrapolations of data for the H1 period, prior to the implementation of the automatic accruals system, and data collected directly from subcontractors, where these subcontractors have indicated that their data is an estimate. The total quantum of estimates using this method for Scope 1 emissions is 0.85%, and for Scope 2 emissions is 0.03% (on a location-based methodology) and is not considered material.

### Restatements

Downer has disclosed targets, and associated baselines, that relate to Scope 1 and Scope 2 emissions. For these targets to be credible, they must be set on a like-for-like basis with the current year's emissions inventory. To that end, Downer has applied the following rules to determine whether any restatements are required to baselines and targets, derived from guidance from the GHG Protocol<sup>1</sup>, as well as NGER Supplementary Guidelines for acquisitions, disposals and mergers<sup>2</sup>

**Table 5. Summary of restatements**

	Base Year	Year impacted
Acquisition	<p>When an acquisition of a legal entity is made, if the acquisition results in a change in absolute emissions greater than 5% of the previous reporting period's totals, then the base year shall be restated with a full year's worth of data from the Acquisition.</p> <p>If Base Year data is unavailable, an appropriate estimate shall be utilised utilising data from a subsequent period.</p>	Data shall be included for the full year, irrespective of %.
Divestment	<p>When a divestment of a legal entity is made, if the divestment results in a change in absolute emissions greater than 5% of the previous reporting period's totals, then the base year shall be restated with a full year's data removed from the Base Year.</p> <p>If Base Year data is unavailable, an appropriate estimate shall be utilised, utilising data from a subsequent period.</p>	Data shall be removed for the full year, irrespective of %.
Data error	<p>If an error is discovered that impacts the base year, and this error is greater than 5% of the previous reporting period's totals, then the base year shall be restated with the amended data.</p> <p>If a data error is discovered that does not impact the base year, then there is no restatement to base year emissions.</p>	Data shall be amended for the period in which the error applies within the year impact.
Organic Growth (e.g. growth of existing facility, acquisition of new facility)	No restatement to base year emissions.	Data shall include organic growth (e.g. new facility or increase in consumption commensurate with expansion in operations).

<sup>1</sup> Base year recalculation methodologies for structural changes – Appendix E to the GHG Protocol Corporate Accounting and Reporting Standard – Revised Edition <https://ghgprotocol.org/corporate-standard>.

<sup>2</sup> Supplementary Guideline – Acquisitions, Disposals and Mergers: treatment of change in ownership of a Group member.

## Other climate-related metrics

Downer has calculated a series of metrics to measure its vulnerability to climate-related risks, as well as to measure the extent of climate-related opportunities.

### Vulnerability to Transition Risks – Metrics

Metric	Calculation method	Justification	Page Reference
% of Downer's Assets exposed to transition risks	Calculated as the net book value (NBV) of assets associated with Downer's manufacturing plants and its heavy and light vehicle fleet, as a proportion of the Group's NBV of assets	Due to the emissions intensity of these assets	Page 74

### Vulnerability to Physical Risks – Metrics

Metric	Calculation method	Justification	Page Reference
% of revenue exposed to physical risks	Taken as the sum of Downer's works in its road maintenance, paving business, as well as construction and maintenance works in the Energy and Utilities sector.	These vulnerabilities are predominantly from the impact of acute weather events causing disruptions and rework.	Page 74

### Opportunities – Metrics

Metric	Calculation method	Justification	Page Reference
Alignment to Climate-related opportunities	Total revenue in Downer's Transport and Energy & Utilities segments	It was considered that works in these segments are well aligned to Downer's climate-related opportunities, across decarbonisation and energy transition efforts, as well as works arising from acute and chronic physical impacts.	Page 74

# Corporate Governance

for the year ended 30 June 2025

## Overview

Downer's corporate governance framework provides the platform from which:

- The Board is accountable to shareholders for the operations, performance and growth of the Company
- Downer management is accountable to the Board
- The risks to Downer's business are identified and managed
- Downer effectively communicates with its shareholders and the investment community.

Downer continues to enhance its policies and processes to promote leading corporate governance practices.

The Board endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

## Principle 1: Lay solid foundations for management and oversight

The Downer Board Charter sets out the functions and responsibilities of the Board and is available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

The Board Charter states that the role of the Board is to provide strategic guidance and to effectively oversee management of the Company. Among other things, the Board is responsible for:

- Overseeing the Company, including its control and accountability systems
- Appointing and removing the Group CEO and senior executives
- Monitoring performance of the Group CEO and senior executives
- Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Board Charter also describes the functions delegated to management, led by the Group CEO.

The primary goal set for management by the Board is to focus on enhancing shareholder value, which includes responsibility for Downer's economic, environmental and social performance.

The Group CEO is responsible for the day-to-day management of Downer with authority to act delegated and authorised by the Board. Before appointing a Director or senior executive, the Board undertakes appropriate checks.

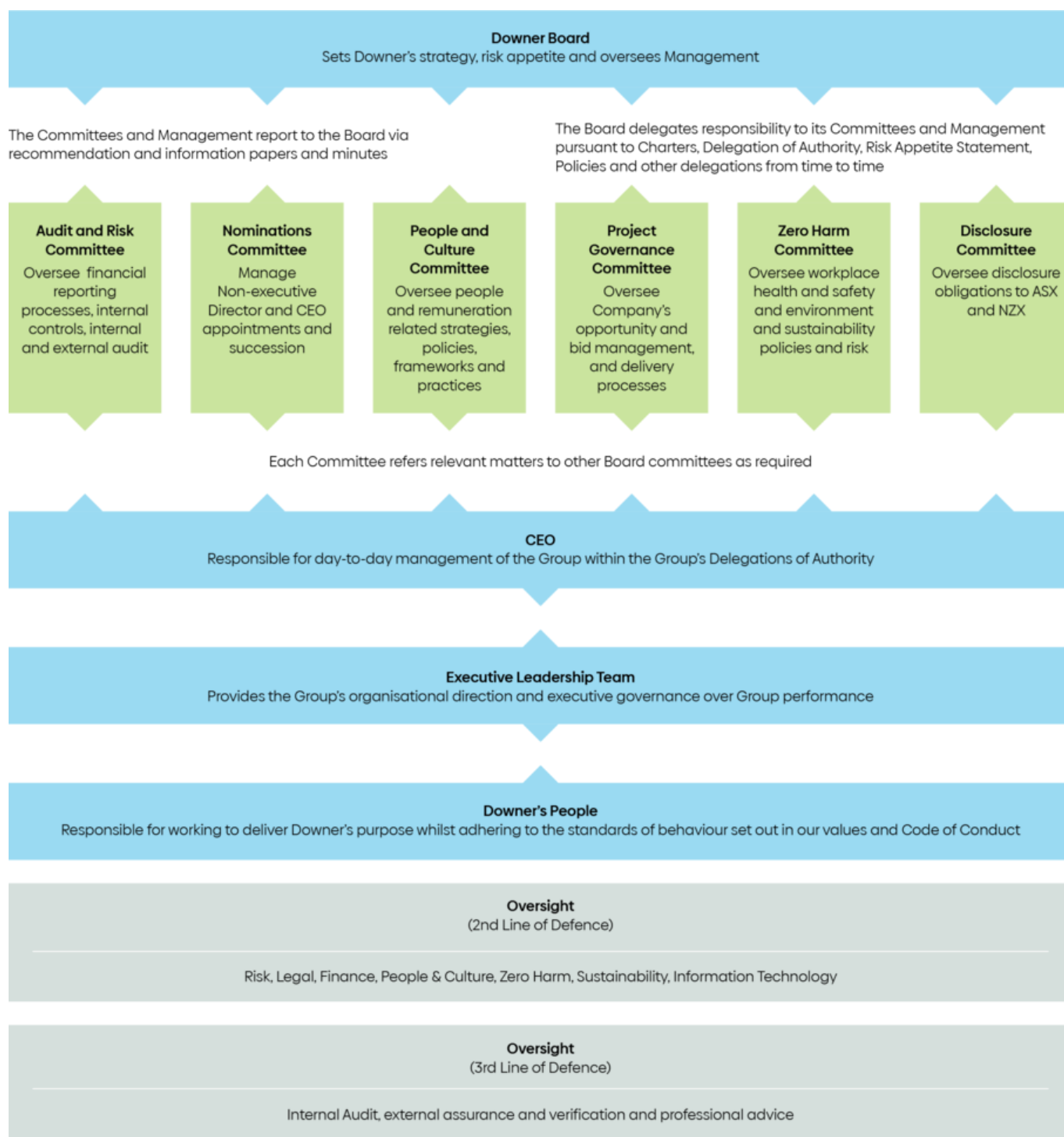
The Board provides shareholders with all material information which is relevant to the decision to elect or re-elect a Director. Directors receive formal letters of engagement setting out the key terms, conditions and expectations of their engagement.

As part of its commitment to leading corporate governance practice, the Board undertakes improvement programs, including externally facilitated periodic reviews of its performance and effectiveness, and that of its Committees and Directors. The last review was completed during FY25. The review included consideration of the skills and knowledge of Directors, the role of the Board and its Committees and their effectiveness, the role of management and relationship with the Board and the effectiveness of the Board's governance framework and processes.

The Company Secretary is responsible for supporting the effectiveness of the Board and is directly accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Downer has written employment agreements with each of its senior executives and the performance of those senior executives is regularly reviewed against appropriate measures, including performance targets linked to the business plan and overall corporate objectives. In 2025, Downer's senior executives participated in periodic performance evaluations where they received feedback on progress against these targets.

Details of Downer's Directors and the Executive Leadership Team are available on the Downer website at [www.downergroup.com](http://www.downergroup.com).



Further information on Downer's approach to risk management can be found on page 43.

## Inclusion and Belonging at Downer

Downer is committed to a diverse and inclusive workforce, which fulfils the expectations of its employees, customers and shareholders while building a sustainable future for its business. This is formalised through the Downer Inclusion & Belonging (I&B) Policy which outlines the Company's commitment to developing a diverse and inclusive workforce.

The I&B Policy is available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

### ASX diversity recommendations – diversity statement

This diversity statement outlines Downer's performance throughout 2025 with respect to its broader diversity program, but with a particular focus on gender, and specifically includes:

- Details of Downer's key gender representation metrics
- An overview of the gender diversity initiatives undertaken by Downer throughout 2025
- An outline of Downer's measurable gender diversity objectives for 2025.

### Gender representation metrics

As of 30 June 2025, Downer's female gender representation metrics were as follows:

Board	43 %
Senior Executive <sup>1</sup>	27 %
Management <sup>2</sup>	23 %
Workforce	27 %

1. For present purposes, 'Senior Executive' refers to CEO, KMP and Other Executives/General Managers as defined in the Workplace Gender Equality Agency Reference Guide to the workplace profile and reporting questionnaire (WGEA Reference Guide).
2. For present purposes, 'Management' refers to Senior Managers and Other Managers as defined in the WGEA Reference Guide.

## Looking back 2025 measurable object

Focus areas	Objective	FY25 Targets	FY25 Initiatives	FY25 Outcomes
Inclusion and Belonging Guiding Frameworks	Continue to drive Inclusion & Belonging as a key focus for the organisation to support Downer culture and an inclusive workplace, identifying initiatives that create sustainable change.	Own Different Inclusion & Belonging Strategy and Action Plan reset for FY25-27	Update I&B Strategy & Plan and identifying key Group initiatives that support the three focus areas – Inclusion, Gender and Indigenous (Aboriginal, Torres Strait Islander and Māori peoples).	Inclusion & Belonging Strategy and Action Plan 2024-2026 was developed and launched to the business on 1 November 2024 with targeted initiatives focused on Gender, Indigenous (Aboriginal, Torres Strait Islander and Māori) and Inclusion (LGBTQIA+, Cultural and Linguistic, Generational, Disability, Neurodiversity).
		The Downer Difference is embedded in the organisation	Full rollout of the project and communication plan for The Downer Difference across the organisation to support culture transformation.	The Downer Difference campaign has been implemented in four structured phases to support the Company's culture transformation objectives. Initial prelaunch activities focused on content development, internal alignment, and leadership readiness. The subsequent awareness and launch phases utilised a multi-channel strategy to reach across the entire workforce. Key messages were delivered through senior leadership forums, digital channels, physical collateral, and narrative storytelling.
		The Downer Difference is embedded in the organisation with >80% of the workforce having at least one touchpoint of exposure		Employee engagement was facilitated through leader-led cascades, team discussions, and consistent deployment of campaign materials. In FY25, communication efforts have shifted towards embedding the culture, with a continued emphasis on storytelling, integration into leadership forums, Company-wide events, and CEO-led recognition.
				The campaign has created a strong platform for sustained cultural reinforcement and is contributing to measurable shifts in behaviour and engagement across the organisation.
			Design and development of the annual CEO Awards for launch July 24 recognising and reinforcing the three culture focus areas	The CEO Awards were launched in early 2025, following implementation of the BU Recognition Programs. Nominations closed at the end of May and winners were announced in July 2025.
			Design and development of the Family Scholarships program for launch Q1 FY25.	Downer Family Scholarships launched in October 2024, and 20 students (four per each BU and Group) were awarded a \$5,000 scholarship for tertiary studies across AU and NZ.
			Relaunch of Own Career – Own Performance and Own Development framework for salaried employees – a Company-wide approach to performance management with the aim of >80% of the salaried workforce completing the full performance management cycle.	Own Career was launched in July 2024 as our new enterprise performance management and career development framework. Since launch, over 5,600 employees have accessed the new online platform to initiate their performance conversations.

Focus areas	Objective	FY25 Targets	FY25 Initiatives	FY25 Outcomes
			Design and develop Downer's Employee Value Proposition articulating our culture, employee benefits and career opportunities to improve attraction, retention and employee engagement across all demographics.	<p>The Downer intranet and website were refreshed in late 2024 to better communicate The Downer Difference, showcase career opportunities, and highlight employee benefits. Benefit content was tailored to employee personas and lifecycle stages and integrated into HRCore to improve engagement during pre-boarding and onboarding.</p> <p>The full EVP project is part of the People Strategy Year 2 initiatives.</p>
	Create a welcoming and safe environment for all employees who identify as lesbian, gay, bisexual, transgender, intersex, queer, asexual and other diverse genders, sexes, and sexualities.	Increase confidence of employees to identify and/or actively support LGBTIQ+, evidenced through increased participation and allyship of network group(s)	Launch an LGBTQIA+ employee network across the whole of Downer, targeting 200 members initially with growing participation year on year.	<p>StandOut Global launched in February 2025 as part of Downer's Summer of Pride celebrations. The Executive Sponsor for this Employee Network is Nicola Dorling. The Chair and Deputy Chair of the Governance Committee have been appointed. The first meeting with the Committee was held at the end of June 2025 and focused on formalising the network's annual strategy and action plan.</p> <p>StandOut Aotearoa continues to provide a supportive environment for Rainbow community members based in New Zealand promoting education and awareness throughout the organisation. Early in FY25, the 'Check your language' campaign was launched to encourage thoughtful language choices, featuring a video with StandOut members and allies sharing personal stories about the impact of language. Downer also celebrated the second annual Summer of Pride, uniting teams across Australia and New Zealand with events like Pride marches, office decorations, and workplace activities to support LGBTQIA+ employees.</p> <p>StandOut Aotearoa also held their annual forum, participated in the Wellington Pride Parade as a main sponsor, and proudly displayed vibrant Summer of Pride-branded Fleet vehicles to promote inclusivity and allyship.</p>



Focus areas	Objective	FY25 Targets	FY25 Initiatives	FY25 Outcomes
Aboriginal, Torres Strait Islander and Māori peoples	Develop and lead an Employment Program for Aboriginal and Torres Strait Islander peoples at Downer.	3% Aboriginal and Torres Strait Islander employees	Development of a framework that supports the employment of Aboriginal & Torres Strait Islander peoples at Downer. The Downer Indigenous Employment Programme (DIEP) will provide Business Units central resources and tools to support talent acquisition, onboarding, career development, mentoring and retention, with the aim of achieving the 3% target by 2026.	<p>The program was rebranded from Program to Pathways, with updated wording and design to improve clarity and engagement. Central resources and tools were developed to support implementation, including:</p> <ul style="list-style-type: none"> <li>■ Recruitment guide</li> <li>■ Traineeship and apprenticeship guide</li> <li>■ School-based traineeship guide</li> <li>■ Website resources for Indigenous business hubs and national apprenticeship providers</li> <li>■ Protocols for engaging Traditional Owners to support learning through land surveys.</li> </ul> <p>The SharePoint Hub had a soft launch to the business at the end of June 2025, with further resources to be added over time.</p>
	Partner with Indigenous businesses to build relationships, promote Best Practice procurement and increase supplier diversity.			
	Streamline data collection and reporting and promotion of ISG Strategy, outcomes and metrics internally and externally.		Establishment of an Indigenous Employee Network that supports the engagement and connection of our Aboriginal & Torres Strait Islander peoples at Downer, with growing participation year on year.	This initiative has been deferred to FY26, pending the refocus of the RAP Working Group. A new ELT Sponsor will join the Group in June 2025 to support its renewed direction.
			Implementation of our new Reconciliation Action Plan for 2024 – 2026, outlining new initiatives and commitments to continue Downer’s support and impact on Aboriginal and Torres Strait Islander peoples, communities, and businesses, with a strong focus on strengthening Downer’s position as an employer of choice to attract, develop and retain Aboriginal and Torres Strait Islander peoples. To achieve delivery of the RAP commitments by 2026.	Downer launched its new Innovate RAP in late 2024, with 24% of actions completed to date. Some key initiatives delivered to date include promoting reconciliation through social media, policy reviews, cultural awareness training, signage acknowledging Country, and engagement with Traditional Custodians. The RAP Working Committee continues to meet regularly, with ongoing efforts to track impact, celebrate significant cultural dates, and build pathways for Aboriginal and Torres Strait Islander participation in the workforce.
			Development of mutually beneficial engagement plans that leverage key partnerships with Aboriginal & Torres Strait Islander organisations including STARS Foundation, Cowboys House and Kinaway.	<p>In 2024, Downer participated in the Stars forums in Townsville and Darwin, engaging senior students through interview-style speed sessions. Local job vacancies were shared, and expressions of interest in applying were invited. A presentation on career opportunities at Downer was also delivered.</p> <p>All other partners were engaged throughout the year in various capacities, so there is continued collaboration and alignment with the RAP.</p>

Focus areas	Objective	FY25 Targets	FY25 Initiatives	FY25 Outcomes
			Design and roll-out anti-racism learning module across the company, targeting > 80% of the workforce completing the appropriate training.	An anti-racism eLearning module was developed and rolled out during National Reconciliation Week - 27 May to 3 June 2025.
	Māori development programs	Continue to deliver the current Māori Leadership Development program, Te Ara Whanake, Te Hā (wāhine leadership only) and Te Ara Whanake Ake (Senior Māori leadership program) and Te Ara Māramatanga.	Continue to deliver Downer's Māori leadership development program, Te Ara Whanake, Te Hā (wāhine leadership only) and Te Ara Whanake Ake (Senior Māori leadership program). Maintaining year on year participant numbers.	The team have continued to deliver programs across the New Zealand business with the following outcomes: <ul style="list-style-type: none"> <li>■ 33 Graduates for Te Ara Whanake</li> <li>■ 14 Graduates from Te Hā</li> <li>■ 57 Graduates from Te Ara Māramatanga</li> </ul>
			Continue to deliver the Te Ara Māramatanga program to non-Māori leaders, which provides a deeper understanding of the Te Ao Māori (Māori worldview), Tikanga and protocols through noho-mare immersion. Maintaining year on year participation numbers.	Two further Te Ara Māramatanga programs with 40 participants were held in May and June 2025.
			Attendance required from our Australian-based leaders responsible for trans-Tasman responsibility, where/when possible.	Five attendees from Australia participated in the Te Ara Māramatanga program in FY25.
Gender Diversity	To improve opportunities for women to reach their potential through an inclusive work environment while positioning Downer Group as a preferred employer for women.	40% women in the workforce by 2026;  25% women in management positions by 2026; and  28% women in executive positions by 2026.	Continue to refresh and refine Thrive program – our personal and professional growth program to support women in Downer.  Achieving >80% satisfaction from participants	91 women completed the Thrive program in December 2024.  The Thrive program has undergone a significant review and refresh for 2025 and beyond. The refreshed program focuses on three core areas: leading self, leading the business and leading others.  94 female participants commenced the program in April 2025.  In addition to Thrive, a virtual early career program has been developed – Emerging Leaders Program – to address capability and development needs for early career employees who are not yet Leaders. ELP focus on 'leading self'. 41 female participants commenced the program in May 2025.

Focus areas	Objective	FY25 Targets	FY25 Initiatives	FY25 Outcomes
			Continue to deliver Sexual Harassment training to build knowledge and awareness of bullying and sexual harassment in the workforce, targeting >80% of the workforce completing the appropriate training.	83% of CEO-1 to CEO-3 cohort completed Leadership Essentials for Preventing Sexual Harassment training.
			Launch the Executive Mentoring Program for Women at CEO-2 and 3 and develop ongoing framework that supports the second year of the program for FY26. Targeting >80% satisfaction from mentee and mentors.	The Executive Mentoring Program launched in July 2024 with 13 high-potential senior women at the CEO-2 and CEO-3 levels. All bi-monthly sessions have been delivered as scheduled, and the six-month review reported high satisfaction from both mentors and mentees. Planning is now underway for the next cohort.
			Build on the launch of the EmpowHER network with scheduled events and connection to drive engagement of women at Downer, maintaining year on year increase on membership and participation in events.	EmpowHER has grown to over 600 members and allies across Downer. Quarterly online events have maintained strong engagement, with a focus on personal branding, professional development, and career growth. A one-year milestone was celebrated on International Women's Day 2025.
			Implement recruitment targets to promote the employment of women across all levels of the organisation, including but not limited to: <ul style="list-style-type: none"> <li>■ 50% shortlist representation for management and professional roles</li> <li>■ 30% shortlist targets for frontline Graduate and Apprenticeship roles and professional Graduate roles.</li> </ul>	Engagement with P&C and Recruitment Leads is underway to support the implementation of recruitment targets from July 2025. Limited visibility of gender data in HRCore presents challenges during shortlisting, reinforcing the need for targeted sourcing strategies to attract women and meet recruitment objectives.

## Looking ahead: 2026 measurable objectives

Focus areas	Objective	FY26 Targets	FY26 Initiatives
Inclusion	Continue to drive Inclusion & Belonging as a key focus for the organisation to support Downer culture and an inclusive workplace, identifying initiatives that create sustainable change.	The Downer Difference is embedded in the organisation with >80% of the workforce having at least one touchpoint of exposure.	<p>On-going embedding of The Downer Difference through sustaining a multi-channel communication approach that reinforces key cultural behaviours through leadership engagement, storytelling, digital platforms, and integration into core business activities.</p> <p>Announce the inaugural CEO Awards recipients and promote their stories across internal communication channels to drive visibility and engagement with the recognition program across all business units.</p> <p>Undertake the Family Scholarships program for its second year, supporting the educational development of future leaders within our communities. This initiative reinforces The Downer Difference by demonstrating our commitment to people, family, and long-term community impact.</p>
	Create a welcoming and safe environment for all employees who identify as lesbian, gay, bisexual, transgender, intersex, queer, asexual and other diverse genders, sexes, and sexualities.	Increase confidence of employees to identify and/or actively support LGBTIQ+, evidenced through increased participation and allyship of the network group(s).	Expand the StandOut Global Network across Downer by increasing membership and delivering targeted events and engagement activities aligned with the network's strategic annual plan.

Focus areas	Objective	FY26 Targets	FY26 Initiatives
Aboriginal, Torres Strait Islander and Māori peoples	Develop and lead an Employment Program for Aboriginal and Torres Strait Islander peoples at Downer.	3% Aboriginal and Torres Strait Islander employees	Promote the framework that supports the employment of Aboriginal and Torres Strait Islander peoples at Downer, with a focus on increasing awareness among hiring managers and recruiters of the available resources, including, centralised resources, tools and support for talent acquisition, onboarding, career development, mentoring, and retention.
	Streamline data collection and reporting and communication of ISG Strategy, outcomes and metrics internally and externally.		Establish an Indigenous Employee Network to foster connection, engagement, and cultural support for Aboriginal and Torres Strait Islander employees at Downer, with a focus on growing participation year on year.
	Partner with Indigenous businesses to build relationships, promote Best Practice procurement and increase supplier diversity.		Develop engagement plans that leverage strategic partnerships with Aboriginal and Torres Strait Islander organisations, including the Stars Foundation, Cowboys House, and Kinaway, to support shared outcomes in education, employment, and community development.
	Māori development programs.		<p>On-going delivery of Downer's Māori leadership development program, Te Ara Whanake. This is in conjunction with our Te Whanake Timatanga program, whereby we have 70 Māori employees completing their NZQA Level 4 and above qualifications (Inclusive of Degrees). 32 of these employees will complete Te Ara Whanake.</p> <p>Continue to deliver the Te Ara Māramatanga program to non-Māori leaders, which provides a deeper understanding of the Te Ao Māori (Māori worldview), Tikanga and protocols through noho-mare immersion. Maintaining year on year participation numbers.</p> <p>Attendance encouraged from our Australian-based leaders responsible for trans-Tasman responsibility, where/when possible.</p>

Focus areas	Objective	FY26 Targets	FY26 Initiatives
Gender Diversity	To improve opportunities for women to reach their potential through an inclusive work environment while positioning Downer Group as a preferred employer for women.	<p>40% women in the workforce by 2027;</p> <p>25% women in management positions by 2027; and</p> <p>28% women in executive positions by 2027.</p> <p>40% women Directors on the Board.</p> <p>These targets will be reviewed during FY26.</p>	<p>Refine and deliver the Thrive program as Downer's dedicated leadership development program for women, supporting personal and professional growth. The program will be continuously refined to maintain relevance and effectiveness, with a target of achieving over 80% participant satisfaction.</p> <p>Continue to deliver Sexual Harassment training to build knowledge and awareness of bullying and sexual harassment in the workforce.</p> <p>Deliver another round of the Executive Mentoring Program for Women, targeting CEO-2 and CEO-3 level leaders, as well as high-potential women identified as successors. The program is designed to support the development and advancement of senior female leaders and reinforces Downer's commitment to increasing gender representation in senior leadership. The initiative aims to achieve over 80% satisfaction from both mentees and mentors.</p> <p>Focus on growing the EmpowHER network in alignment with its strategic annual plan, delivering scheduled events and initiatives that foster connection and engagement among women at Downer. The program aims to maintain year-on-year increases in membership and participation.</p> <p>Implement recruitment targets to promote the employment of women across all levels of the organisation, including but not limited to:</p> <ul style="list-style-type: none"> <li>■ 50% shortlist representation for management and professional roles</li> <li>■ 30% shortlist targets for frontline Graduate and Apprenticeship roles and professional Graduate roles.</li> </ul> <p>Maintain a commitment to achieving a target of 40% female representation in the annual cohorts of Downer's enterprise-wide leadership programs. Establish and implement regular reporting mechanisms to track progress.</p>

## Principle 2: Structure the Board to be effective and add value

Throughout the 2025 financial year, the Board was comprised of a majority of independent Directors.

The Board is currently comprised of the Chair (Mark Menhinnitt, an independent, Non-executive Director), five other independent, Non-executive Directors and an Executive Director (the Group CEO, Peter Tompkins). Details of the members of the Board, including their skills, experience, status and their term of office are set out in the Directors' Report on pages 20 to 23 and are also available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

The composition of the Board is reviewed and assessed by the Nominations Committee so that the Board is of a composition, size and commitment to effectively discharge its responsibilities and duties.

Directors are required to bring their independent judgement to bear on all Board decisions. To facilitate this, it is Downer's policy to provide Directors with access to independent professional advice at the Company's expense in appropriate circumstances.

Downer's Non-executive Directors recognise the benefit of conferring regularly without management present, and they do so at various times throughout the year.

The Board considers that an independent Director is a Non-executive Director who is not a member of management and who is free of any business or other relationship that could (or could reasonably be perceived to) materially interfere with the independent exercise of their judgement.

The Board regularly assesses the independence of each Director so that each Director has the capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of Downer as a whole.

Downer's governance framework requires each Director to promptly disclose actual and possible conflicts of interest, any interests in contracts, other directorships or offices held, related party transactions and any dealing in the Company's securities.

At least one Director must retire from office at each Annual General Meeting (AGM). No Non-executive Director can serve more than three years without offering themselves for re-election.

The Chair of the Board is an independent, Non-executive Director. The Chair is responsible for the leadership of the Board and for the efficient organisation and functioning of the Board.

The Chair is appointed by the Board so that a high standard of values, governance and constructive interaction is maintained.

The Chair facilitates the effective contribution of all Directors and promotes constructive and respectful relations between Directors and the Board and management. The Chair also represents the views of the Board to Downer's shareholders and conducts the AGM.

The roles of Chair and Group CEO are not exercised by the same person and the division of responsibilities between the Chair and the Group CEO have been agreed by the Board and are set out in the Board Charter and Downer's Delegations Policy.

The Board has established a number of committees to assist the Board to effectively and efficiently execute its responsibilities. A list of the Board Committees and their current membership is set out in the table below.

Board Committee	Chair	Members
Audit and Risk	Peter Barker	Teresa Handicott Adelle Howse Steven MacDonald
Nominations	Mark Menhinnitt	Peter Barker Sheridan Broadbent Teresa Handicott Adelle Howse Steven MacDonald
People and Culture	Adelle Howse	Peter Barker Sheridan Broadbent Mark Menhinnitt
Project Governance	Steven MacDonald	Peter Barker Sheridan Broadbent Mark Menhinnitt Peter Tompkins
Zero Harm	Sheridan Broadbent	Teresa Handicott Steven MacDonald Mark Menhinnitt Peter Tompkins

The names of members of each Committee, the number of meetings and the attendances by each of the members of the various committees to which they are appointed is set out in the Directors' Report on page 53.

The role of the Audit and Risk Committee is set out under Principle 7 on page 252 of this statement.

The Board has established the Nominations Committee to oversee the practices for selection and appointment of Directors of the Company.



The Nominations Committee's primary purpose is to support and advise the Board on fulfilling its responsibilities to shareholders so that the Board is comprised of individuals who are best able to discharge the responsibilities of Directors having regard to the law and leading governance practice.

The Nominations Committee has a charter which sets out its roles and responsibilities, composition, structure, membership requirements and the procedures for inviting non-committee members to attend meetings.

The Nominations Committee Charter gives the Nominations Committee access to internal and external resources, including advice from external consultants and specialists. The Nominations Committee Charter is available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

The Nominations Committee, all members of which are independent Directors, is chaired by an independent Director and has a minimum of three members.

The Committee's responsibilities include:

- Assessing the skills and competencies required on the Board
- Assessing the extent to which the required skills are represented on the Board
- Establishing processes for the review of the performance of individual Directors, Board Committees and the Board as a whole
- Establishing processes for identifying suitable candidates for appointment to the Board (including undertaking a formal due diligence screening process)
- Recommending the engagement of nominated persons as Directors.

When appointing Directors, the Nominations Committee aims for an appropriate balance of skills, experience, expertise and that diversity is represented on the Board. This may result in a Non-executive Director with a longer tenure remaining in office to bring that experience and depth of understanding to matters brought before the Board.

Given the breadth of Downer's service offerings across a range of markets, the Board seeks to maintain an appropriate range of technical skills and executive experience across engineering and construction disciplines as well as services activities, and professional services when considering the appointment of a new Director.

Downer's Board renewal program is ongoing. The Board identified operational and technical expertise in the public sector, financial accounting and legal expertise as well as experience in senior executive roles as key skills required for the future.

Peter Barker joined the Board as a Director on 1 July 2024. Mr Barker is an experienced Non-executive Director and senior executive with experience in finance, risk management, corporate structuring including mergers, acquisitions and divestments, and systems transformation in complex multi-jurisdictional environments in the engineering, services and technology sectors.

On 20 June 2025, the Company also announced that as part of the Board's ongoing renewal process, the retirement of Teresa Handicott and the appointments of Kerry Gleeson and Annette Carey as independent Non-Executive Directors, effective 1 September 2025 and 1 November 2025 respectively.

Kerry Gleeson is an experienced Chair and Non-Executive Director in the industrial, mining and resources sectors, with over 25 years of ASX experience as a director, senior executive and board advisor, working nationally and internationally. Ms Gleeson spent over 15 years in private corporate legal practice before a successful senior executive career, most recently at Incitec Pivot for nine years.

Annette Carey has more than 20 years' experience as a senior executive, where she has led multi-billion-dollar operational businesses in the logistics, supply chain, government and security sectors in Australia and internationally. This included five years as CEO of Linfox Logistics and Linfox Armaguard. Ms Carey is experienced in strategy development, mergers and acquisitions, business transformation including digital transformation, project governance and commercial negotiations.

Nicole Hollows retired as a Director effective 15 November 2024.

From time to time, Downer engages external specialists to assist with the selection process as necessary, and the Chair, Board and Group CEO meet with candidates as part of the appointment process.

Nominations for re-election of Directors are reviewed by the Nominations Committee and Directors are re-elected in accordance with the Downer Constitution and the ASX Listing Rules.

The role of the People and Culture Committee is set out under Principle 8 on page 253 of this statement.

The Project Governance Committee's primary purpose is to approve tender opportunities that are above defined value and risk thresholds at defined stage gates (pursue, prepare, submit tender and execute contract) and monitor overall performance of the portfolio of projects. The Committee is chaired by an independent Director and comprises five members, including the Group CEO.

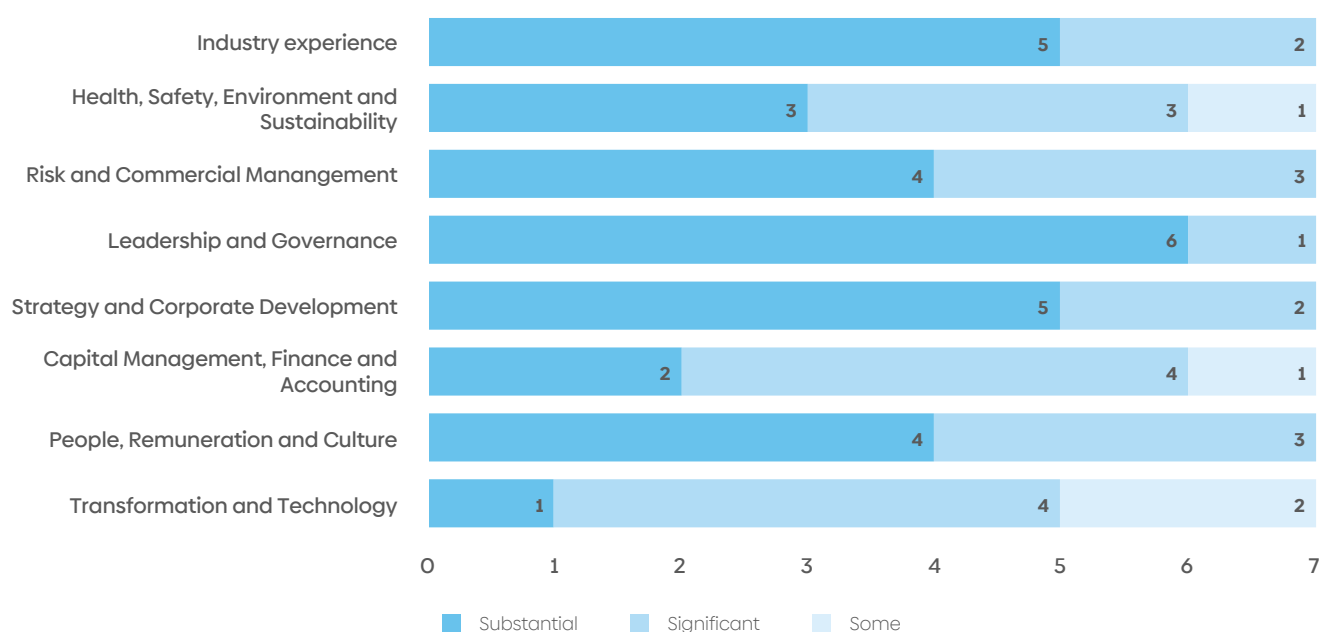
The Zero Harm Committee's purpose is to assist the Board in its oversight of the Company's compliance with its health, safety, environment and sustainability commitments, including Zero Harm, and its legal and regulatory obligations.

The Company has formal induction procedures for Directors. These induction procedures have been developed to enable new Directors to gain an understanding of:

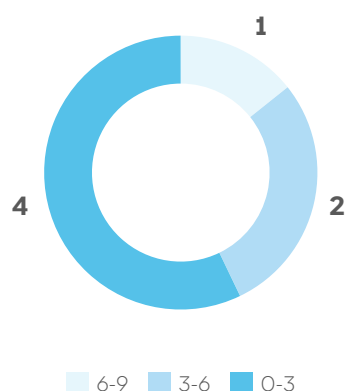
- Downer's financial position, strategies, operations and risk management policies
- The respective rights, duties and responsibilities and roles of the Board and senior executives
- Downer's culture and values.

The chart below illustrates the balance achieved with the current Board composition. The Company recognises the value of diversity which has been a component of the appointment process for many years.

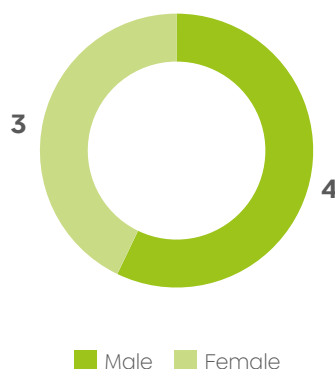
## Skills



## Tenure (years)



## Gender Diversity



Directors are given an induction briefing by the Company Secretary and induction materials containing information about Downer and its business, Board and Committee charters and Downer Group policies. New Directors also meet with key senior executives to gain an insight into the Company's business operations and the Downer Group structure.

Directors are encouraged to continually build on their exposure to the Company's business and a program of Director site visits has been in place since 2009. Directors are also encouraged to attend appropriate training and professional development courses to update and enhance their skills and knowledge and regular governance and other continuing education sessions are organised for the Board.

The Board is provided with the information it needs to discharge its responsibilities effectively. The Directors also have access to the Company Secretary for all Board and governance-related issues and the appointment and removal of the Company Secretary is determined by the Board. The Company Secretary is accountable to the Board, through the Chair, on all governance matters.

## Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Downer's Purpose is to enable communities to thrive, and Downer's Promise is that our customers' success is our success. Downer's Purpose and Promise are founded on the Pillars of Safety and Sustainability, Delivery, Relationships and Thought Leadership and define the way it manages its business and are the foundations that support Downer's culture. An overview of the Purpose, Promise and Pillars can be found on the Downer website at [www.downergroup.com](http://www.downergroup.com).

Downer strives to attain the highest standards of behaviour and business ethics when engaging in corporate activity. Downer's Standards of Business Conduct sets the ethical tone and standards of the Company and deals with matters such as:

- Compliance with the letter and the spirit of the law
- Workplace behaviour
- Prohibition against bribery and corruption
- Protection of confidential information
- Engaging with stakeholders
- Human Rights
- Workplace safety
- Inclusion and belonging
- Sustainability
- Conflicts of interest.

Downer has a formal whistleblower policy and procedures for reporting and investigating breaches of the Standards of Business Conduct. This includes the Our Voice service, an external and independent reporting service which enables employees, contractors, suppliers, consultants, or service providers to anonymously report potential breaches of the Standards of Business Conduct, including misconduct or other unethical behaviour. Reports received through Our Voice are investigated where appropriate, with senior leaders overseeing the completion of any remedial action. The Board is informed of material breaches of the Standards of Business Conduct through reporting of incidents reported under the whistleblower policy, investigations of allegations of fraud and breaches of Downer's Zero Harm Cardinal Rules.

The Standards of Business Conduct applies to all officers and employees and is available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

Downer endorses leading governance practices and has in place policies setting out the Company's approach to various matters, including:

- Securities trading (stipulating 'closed periods' for designated employees and a formal process which employees must adhere to when dealing in securities)
- The Company's disclosure obligations (including continuous disclosure)
- Communicating with shareholders and the general investment community
- Privacy.

Downer has an Anti-Bribery and Corruption Policy which expands upon the prohibition against bribery and corruption currently contained in the Standards of Business Conduct, and which addresses key issues such as working with government, political donations and gifts and benefits.

The Board is informed of material breaches of the Anti-Bribery and Corruption Policy.

As Downer has operations in foreign jurisdictions, Downer employees are confronted by the challenges of doing business in environments where bribery and corruption are real risks.

However, regardless of the country or culture within which its people work, Downer is committed to compliance with the law, as well as maintaining its reputation for ethical practice.

All employees receive training on the Standards of Business Conduct, Downer's Purpose, Promise and Pillars, workplace behaviour and Zero Harm on commencement of employment as well as routine refresher training thereafter. Further specific training is also provided depending on the function of particular roles.

These policies are available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

#### Principle 4: Safeguard the integrity of corporate reports

The Company has in place a structure of review and authorisation which independently verifies and safeguards the integrity of its financial reporting.

An external limited assurance engagement is performed on selected sustainability information in Downer's Annual Sustainability Report and Climate Statement. Downer also follows a comprehensive internal verification process to provide assurance over the integrity of the Sustainability Report and other periodic corporate reports which are not audited or reviewed by the external auditor, including the Directors' Report and Climate Statement, Corporate Governance Statement, and Information for Investors. This process involves review of reporting by relevant subject matter experts across the organisation so that it is materially accurate, balanced and provides investors with appropriate information.

The Audit and Risk Committee assists the Board to fulfil its responsibilities relating to:

- The quality and integrity of the accounting, auditing and reporting practices of the Company with a particular focus on the qualitative aspects of financial reporting to shareholders
- The Company's risk profile and risk policies
- The effectiveness of the Company's system of internal control and framework for risk management.

The Audit and Risk Committee is structured so that it:

- Consists of only Non-executive Directors
- Consists of a majority of independent Directors
- Is chaired by an independent Chair (who is not the Chair of the Board)
- Has at least three members.

The Audit and Risk Committee comprises only independent Directors, includes members who are financially literate and has at least one member who has relevant qualifications and experience.

The Audit and Risk Committee Charter sets out the Audit and Risk Committee's role and responsibilities, composition, structure and membership requirements and the procedures for inviting non-committee members to attend meetings.

The Board receives assurances from the Group CEO and the Group CFO that the declarations provided to it in relation to the annual and half-year financial statements, in accordance with sections 295A and 303(4) of the *Corporations Act 2001* (Cth), are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. To support these declarations, management has established the Financial and Corporate Governance Self-Assessment (FCGSA) process, which involves the completion of an online survey by the key operational and functional executives of the Company, which covers accounting and financial matters, fraud, policy compliance and Zero Harm, from which a summary of responses is provided to the Board and informs the declarations.

Downer's external auditor attends the Company's AGMs and is available to answer any questions which shareholders may have about the conduct of the external audit for the relevant financial year and the preparation and content of the Audit Report.

Information regarding the number of times the Audit and Risk Committee convened in FY25, together with the individual attendances of members at the meetings, is set out in the Directors' Report on page 53.

The Audit and Risk Committee Charter is available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

### Principle 5: Make timely and balanced disclosure

The Company's Communication and Continuous Disclosure Policy sets out processes which assist the Company so that all investors have equal and timely access to material information about the Company and that Company announcements are factual and presented in a clear and balanced way. It includes that new and substantive investor or analyst presentations are released on the ASX Market Announcements Platform ahead of the presentation.

A copy of the Communication and Continuous Disclosure Policy is available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

The Communication and Continuous Disclosure Policy also sets out the procedures for identifying and disclosing material and market-sensitive information in accordance with the Corporations Act 2001 (Cth) and the ASX Listing Rules. The Board receives copies of all material market announcements promptly after they have been made.

### Principle 6: Respect the rights of security holders

Downer empowers its shareholders by:

- Communicating effectively, openly and honestly with shareholders
- Giving shareholders ready access to balanced and understandable information about the Company and its governance
- Making it easy for shareholders to participate in general meetings
- Giving shareholders the option to receive communications from, and send communications to, the Company and its security registry electronically.

The Downer Communication and Continuous Disclosure Policy sets out the Company's approach to communicating with shareholders and is available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

The Company publishes corporate information on its website ([www.downergroup.com](http://www.downergroup.com)), including Annual and Half Year Reports, ASX announcements, investor updates and media releases.

Downer encourages shareholder participation at members' meetings through its use of electronic communication, including by making notices of meetings available on its website and audio-visual casting of general meetings and audio casting of significant Group presentations. All substantive resolutions at meetings of shareholders are conducted by poll.

The Directors and key members of management attend the Company's AGMs and are available to answer questions.

### Principle 7: Recognise and manage risk

Downer's Audit and Risk Committee assists the Board in its oversight of Downer's risk profile and risk policies, the effectiveness of the systems of internal control and Risk Management Framework and Downer's compliance with

applicable legal and regulatory obligations. The Audit and Risk Committee Charter is available on the Downer website at [www.downergroup.com](http://www.downergroup.com).

Management reports regularly to the Audit and Risk Committee on the effectiveness of Downer's management of its material business risks and on the progress of mitigation treatments.

To mitigate the risks that arise through its activities, Downer has various risk management policies and procedures in place that cover (among other matters) interest rate management, foreign exchange risk management, credit risk management, tendering and contracting risk and project management.

Downer has controls at the Board, Board Committee, executive and business unit levels that are designed to safeguard Downer's interests and the integrity of reporting (including accounting, financial reporting, environmental and workplace health and safety policies and procedures). These controls are directed at compliance with legal and regulatory requirements, as well as community standards.

Downer has a Risk Management Framework in place to enable business risks to be identified, evaluated and managed.

The Board ratifies Downer's approach to managing risk and oversees Downer's Risk Management Framework, including the Group risk profile and the effectiveness of the systems being implemented to manage risk. The last review of the Risk Management Framework was completed in 2025. The Board reviews the Group risk profile twice each year and considers other risk matters, such as business resilience, tender review processes, risk appetite, and specific risk areas, on a regular basis, as well as regular reports from senior management, the internal audit team, and the external auditor.

Downer's annual Sustainability Report provides a detailed overview of Downer's approach to managing its environmental and social risks. The Sustainability Report is available on the Downer website at [www.downergroup.com/sustainability](http://www.downergroup.com/sustainability).

The Company's internal audit function objectively evaluates and reports on the existence, design and operating effectiveness of internal controls. Downer's internal audit team is independent of the external auditor and reports to the Audit and Risk Committee.

## Principle 8: Remunerate fairly and responsibly

The Board has established a People and Culture Committee and has adopted the People and Culture Committee Charter which sets out its role and responsibilities, composition, structure and membership requirements and the procedures for inviting non-committee members to attend meetings.

The People and Culture Committee is responsible for reviewing and making recommendations to the Board about:

- People, culture and conduct
- Talent management and succession
- Inclusion and belonging
- Executive remuneration and incentive policies
- The remuneration, recruitment, retention, performance measurement and termination policies and procedures for all senior executives reporting directly to the Group CEO
- Executive and equity-based incentive plans
- Superannuation arrangements and retirement payments.

Remuneration of the Non-executive Directors forms part of the responsibilities of the Nominations Committee.

Downer's remuneration policy is designed to motivate senior executives to pursue the long-term growth and success of the Company and prescribes a relationship between the performance and remuneration of senior executives.

The People and Culture Committee is structured so that it:

- Consists of a majority of independent Directors
- Is chaired by an independent Director
- Has at least three members.

The Executive Director is not a member of the People and Culture Committee.

The maximum aggregate fee approved by shareholders that can be paid to Non-executive Directors is \$2.4 million per annum.

This cap was approved by shareholders on 3 November 2022. Further details about remuneration paid to Non-executive Directors are set out in the Remuneration Report at page 111.

Retirement benefits, other than superannuation, are not paid to Non-executive Directors.

Non-executive Directors do not participate in any equity incentive schemes.

The remuneration structure for Executive Directors and senior executives is designed to achieve a balance between fixed and variable remuneration taking into account the performance of the individual and the performance of the Company. Executive Directors receive payment of equity-based remuneration as short-term and long-term incentives.

Executive Directors and senior executives are prohibited from entering transactions in associated products which limit the economic risk of participating in unvested entitlements under any of the Company's equity-based remuneration schemes, as set out in the Securities Trading Policy. A copy of the Securities Trading Policy is available on the Downer website at **[www.downergroup.com](http://www.downergroup.com)**.

Further details about the remuneration of Executive Directors and senior executives are set out in the Remuneration Report at page 100 and details of Downer shares beneficially owned by Directors are provided in the Directors' Report at page 113.



# Information for Investors

for the year ended 30 June 2025

## Downer shareholders

Downer had 18,941 ordinary shareholders as at 11 July 2025, of which 17,419 shareholders had a registered address in Australia.

The largest shareholder, HSBC Custody Nominees (Australia) Limited, held 31.99% of the 671,573,679 fully paid ordinary shares issued at that date.

## Company information

The Company's website [www.downergroup.com](http://www.downergroup.com) offers comprehensive information about Downer and its services. The site also contains news releases and announcements to the ASX and NZX, financial presentations, Annual Reports, Half Year Reports and Company news. Downer printed communications for shareholders include the Annual Report which is available on request.

## Dividends

Dividends are determined by the Board having regard to a range of circumstances within the business operations of Downer including operating profit and capital requirements. The level of franking on dividends is dependent on the level of taxes paid to the Australian Taxation Office by Downer and its incorporated joint ventures.

Dividends are paid in Australian dollars, other than for shareholders with a registered address in New Zealand, who receive dividends in New Zealand dollars unless an election is made to receive payment in Australian dollars by providing Australian bank account details.

International shareholders can use Computershare's Global Payments System to receive dividend payments in the currency of their choice at a nominal cost to the shareholder.

## Dividend Reinvestment Plan

Downer's Dividend Reinvestment Plan (DRP) is a mechanism to allow shareholders to increase their shareholding in the Company without the usual costs associated with share acquisitions, such as brokerage. Details of the DRP are available from the Company's website or at [www.computershare.com.au/investor](http://www.computershare.com.au/investor).

The Company's Dividend Reinvestment Plan remains suspended.

## Updating your shareholder details

Shareholders can update their details (including banking and tax information, DRP elections and communication preferences) online at [www.computershare.com/investor](http://www.computershare.com/investor). Simply log-in or sign up to create your investor centre account.

Shareholders will require their holder number (SRN/HIN) and postcode to access this site.

## Tax file number information

Providing your tax file number to Downer is not compulsory. However, for shareholders who have not supplied their tax file number, Downer is required to deduct tax at the top marginal rate plus Medicare levy from unfranked dividends paid to investors residing in Australia. For more information please contact Computershare.

## Lost issuer sponsored statement

You are advised to contact Computershare immediately, in writing, if your issuer sponsored statement has been lost or stolen.

## Annual Report mailing list

Shareholders must elect to receive a Downer Annual Report by writing to Computershare Investor Services Pty Ltd at the address provided. Alternatively, shareholders may choose to receive this publication electronically.

## Change of address

So that we can keep you informed, and protect your interests in Downer, it is important that you inform Computershare of any change of your registered address.

## Australian securities exchange information as at 11 July 2025

Number of holders of equity securities: 18,941.

### Ordinary share capital

671,573,679 fully paid listed ordinary shares were held by 18,941 shareholders. All issued ordinary shares carry one vote per share.

### Substantial shareholders

The following shareholders have notified that they are substantial shareholders of Downer as at 11 July 2025.

Shareholders	Ordinary shares held	% of issued shares
Ubique Asset Management Pty Ltd	56,991,586	8.49
Allan Gray Australia Pty Ltd and its related bodies corporate	54,691,486	8.14
Host-Plus Pty Limited as trustee of the Hostplus Pooled Superannuation Trust	50,471,301	7.52
L1 Capital Pty Ltd and L1 Capital Strategic Equity Management Pty Ltd	46,656,647	6.95
Perpetual Limited and its bodies corporate	44,409,904	6.61
The Vanguard Group Inc and its controlled entities	40,966,780	6.10
T Rowe Price Associates, Inc.	40,961,899	6.09
Pendal Group Limited	41,010,826	6.07
State Street Corporation and subsidiaries	40,558,929	6.04
Dimensional Fund Advisors LP and its related bodies corporate	40,335,725	6.00

## Distribution of holders of quoted equity securities

Shareholder distribution of quoted equity securities as at 11 July 2025 is as follows.

Range of holdings	Number of Shareholders	Shareholders %	Ordinary shares held	Shares %
1 – 1,000	11,316	59.74	4,538,848	0.68
1,001 – 5,000	5,677	29.97	13,203,593	1.97
5,001 – 10,000	1,139	6.01	8,290,132	1.23
10,001 – 100,000	764	4.03	16,295,048	2.43
100,001 and over	45	0.24	629,246,058	93.70
<b>Total</b>	<b>18,941</b>	<b>100.00</b>	<b>671,573,679</b>	<b>100.00</b>
Holding less than a marketable parcel of shares	962			

## Twenty largest shareholders

Downer's 20 largest shareholders of ordinary fully paid shares as at 11 July 2025 are as follows.

Shareholders	Shares held	% of shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	214,847,417	31.99
CHASE MANHATTAN NOMINEES LIMITED	189,415,565	28.20
CITICORP NOMINEES PTY LIMITED	159,310,124	23.72
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C >	14,730,865	2.19
ARGO INVESTMENTS LTD	12,815,059	1.91
BNP PARIBAS NOMS PTY LTD	8,036,571	1.20
NATIONAL NOMINEES LIMITED	7,679,908	1.14
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	2,606,555	0.39
NEWECOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,224,615	0.33
UBS NOMINEES PTY LTD	2,125,382	0.32
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL>	1,871,300	0.28
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,598,358	0.24
WARBONT NOMINEES PTY LTD <UNPAID ENTREPORT A/C>	1,175,132	0.17
BNP PARIBAS NOMS (NZ) LTD	1,073,224	0.16
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,062,329	0.16
CITICORP NOMINEES PTY LIMITED <143212 NMMT LTD A/C>	965,762	0.14
GLENICE MARGARET PATTERSON	891,642	0.13
CPU SHARE PLANS PTY LIMITED	684,080	0.10
MR JOHN WILLIAM HARBOT	612,922	0.09
BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	480,230	0.07
<b>Total for top 20 shareholders</b>	<b>624,207,040</b>	<b>92.93</b>

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# Corporate Directory

## Registered office and principal administration office

Downer EDI Limited  
Level 2, Trinita III,  
Trinita Business Campus  
39 Delhi Road  
North Ryde NSW 2113

Tel: +61 2 9468 9700  
Fax: +61 2 9813 8915

## Directors

Mark Menhinnitt

Peter Tompkins

Peter Barker

Sheridan Broadbent

Teresa Handicott

Dr Adelle Howse

Steven MacDonald

## Share registry

### Computershare

Level 4, 44 Martin Place  
Sydney NSW 2000

GPO Box 2975  
Melbourne VIC 3000

Tel: 1300 556 161 (within Australia)  
+61 3 9415 4000 (outside Australia)

Fax: 1300 534 987 (within Australia)  
+61 3 9473 2408 (outside Australia)

[www.computershare.com](http://www.computershare.com)

## Auditor

PricewaterhouseCoopers  
One International Towers Sydney  
Watermans Quay  
Barangaroo  
Sydney NSW 2000

## Investor website

[www.downergroup.com](http://www.downergroup.com)

## Securities Exchange Listing

Downer is listed on the Australian Securities Exchange (ASX) under the 'Downer EDI' market call code 3965, with ASX code DOW and is a foreign exempt issuer on the New Zealand Exchange with the ticker code DOW.

## Independent Limited Assurance

PwC has provided limited assurance over selected sustainability metrics contained in the Downer Sustainability Report. Please refer to Downer's website (<https://www.downergroup.com/sustainability-report-2025>) to see the limited assurance report.

**Downer** 