CIVMEC LIMITED

(ACN 672 407 171)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group 6 months ended 31 December 2024 A$'000	Group 6 months ended 31 December 2023 A$'000
Revenue	4	502,861	492,346
Cost of sales		(447,078)	(432,055)
Gross profit		55,783	60,291
Other income	5	1,452	1,976
Administrative expenses		(16,779)	(14,185)
Finance costs		(2,989)	(2,965)
Profit before income tax	5	37,467	45,117
Income tax expense	7	(10,974)	(13,224)
Profit for the period		26,493	31,893
Profit attributable to:			
Owners of the Company		26,493	31,894
Non-controlling interest		-	(1)
		26,493	31,893
Total comprehensive income attributable to:			
Owners of the Company		26,493	31,894
Non-controlling interest		-	(1)
		26,493	31,893
Earnings per share attributable to equity holders of the Company (cents per share):			
• Basic	8	5.21	6.29
• Diluted	8	5.15	6.23

B. Condensed interim statements of financial position

	Note	Group		Company	
		As at 31 December 2024 A$'000	As at 30 June 2024 A$'000	As at 31 December 2024 A$'000	As at 30 June 2024 A$'000
ASSETS					
Current assets					
Cash and cash equivalents		37,006	88,457	3	2
Trade and other receivables		97,080	94,602	37,313	57,597
Contract assets		198,756	173,588	-	-
Other current assets		2,727	1,393	-	-
Income tax receivable		329	-	329	-
		335,898	358,040	37,645	57,599
Non-current assets					
Investment in subsidiaries		-	-	7,579	7,579
Property, plant and equipment		531,565	532,840	-	-
Investment properties	11	18,588	18,459	-	-
Intangible assets		10	10	-	-
Deferred tax assets		1,383	968	-	72
		551,546	552,277	7,579	7,651
TOTAL ASSETS		887,444	910,317	45,224	65,250
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		127,408	153,149	301	2,012
Contract liabilities		55,042	49,292	-	-
Lease liabilities		5,755	5,944	-	-
Borrowings	12	-	8,000	-	-
Income tax payable		-	7,462	-	7,462
Provisions		15,961	18,455	-	-
		204,166	242,302	301	9,474
Non-current liabilities					
Lease liabilities		54,854	51,353	-	-
Borrowings	12	60,000	56,000	-	-
Provisions		646	493	-	-
Deferred tax liabilities		70,454	71,951	-	-
		185,954	179,797	-	-
TOTAL LIABILITIES		390,120	422,099	301	9,474
Capital and Reserves					
Share capital	13	29,908	29,918	29,908	29,918
Treasury shares		-	(10)	-	(10)
Asset revaluation reserve		160,219	160,219	-	-
Other reserves		12,273	11,862	7,915	7,504
Retained earnings		295,185	286,490	7,100	18,364
Total equity attributable to the Owners of the Company		497,585	488,479	44,923	55,776
Non-controlling interest		(261)	(261)	-	-
TOTAL EQUITY		497,324	488,218	44,923	55,776
TOTAL LIABILITIES AND EQUITY		887,444	910,317	45,224	65,250

C. Condensed interim statements of changes in equity

GROUP	Share capital A$'000	Treasury shares A$'000	Asset revaluation reserve A$'000	← Other reserves → Merger reserve A$'000	Equity-settled employee benefits reserve A$'000	Other reserves A$'000	Retained earnings A$'000	Total A$'000	Non-controlling interest A$'000	Total A$'000
Balance as at 1 July 2024	29,918	(10)	160,219	7,578	4,007	277	286	488,479	(261)	488,218
Profit for the period	-	-	-	-	-	-	26,493	26,493	-	26,493
Other comprehensive income for the period:	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	26,493	26,493	-	26,493
Recognition of share based payment	-	-	-	-	411	-	-	411	-	411
Dividends paid	-	-	-	-	-	-	(17,798)	(17,798)	-	(17,798)
Cancellation of treasury shares	(10)	10	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	29,908	-	160,219	7,578	4,418	277	295,185	497,585	(261)	497,324
Balance as at 1 July 2023	29,807	(10)	129,577	7,578	3,642	277	249,999	420,870	(261)	420,609
Profit for the period	-	-	-	-	-	-	31,894	31,894	(1)	31,893
Other comprehensive income for the period:	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	31,894	31,894	(1)	31,893
Share options exercised: issuance of new ordinary shares	111	-	-	-	-	-	-	111	-	111
Recognition of share based payment	-	-	-	-	225	-	-	225	-	225
Dividends paid	-	-	-	-	-	-	(15,228)	(15,228)	-	(15,228)
Balance as at 31 December 2023	29,918	(10)	129,577	7,578	3,867	277	266,665	437,872	(262)	437,610

C. Condensed interim statements of changes in equity

(continued)

COMPANY	Share capital A$'000	Treasury shares A$'000	Other reserves: Merger reserve A$'000	Other reserves: Equity-settled employee benefits reserve A$'000	Other reserves: Other reserves A$'000	Retained earnings A$'000	Total A$'000
Balance as at 1 July 2024	29,918	(10)	7,578	4,007	(4,081)	18,364	55,776
Profit for the period	-	-	-	-	-	6,534	6,534
Other comprehensive income for the period:	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	6,534	6,534
Recognition of share based payment	-	-	-	411	-	-	411
Dividends paid	-	-	-	-	-	(17,798)	(17,798)
Cancellation of treasury shares	(10)	10	-	-	-	-	-
Balance as at 31 December 2024	29,908	-	7,578	4,418	(4,081)	7,100	44,923
Balance as at 1 July 2023	29,807	(10)	7,578	3,642	(3,335)	631	38,313
Profit for the period	-	-	-	-	-	28,277	28,277
Other comprehensive income for the period:	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	28,277	28,277
Share options exercised: issuance of new ordinary shares	111	-	-	-	-	-	111
Recognition of share based payment	-	-	-	225	-	-	225
Dividends paid	-	-	-	-	-	(15,228)	(15,228)
Balance as at 31 December 2023	29,918	(10)	7,578	3,867	(3,335)	13,680	51,698

D. Condensed interim consolidated statement of cash flows

	Note	Group 6 months ended 31 December 2024 A$'000	31 December 2023 A$'000
Cash Flows from Operating Activities			
Profit before income tax		37,467	45,117
Adjustment for:			
Depreciation of property, plant and equipment and investment properties – leasehold land	5	10,609	9,838
Gain on disposal of property, plant and equipment		(14)	(79)
Finance cost		4,811	4,687
Interest income		(932)	(1,786)
Expense arising on equity-settled share based payments		411	225
Foreign exchange differences		79	73
Operating cash flow before working capital changes		52,431	58,075
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(2,478)	74,958
Increase in contract assets		(25,167)	(29,467)
(Increase)/decrease in other current assets		(1,334)	354
Decrease in trade and other payables		(26,178)	(2,080)
Increase in contract liabilities		5,750	11,288
Decrease in provisions		(2,341)	(1,946)
Cash generated from operations		683	111,182
Interest received		932	1,786
Finance cost paid		(3,619)	(3,433)
Income tax refund		-	1,781
Income taxes paid		(20,677)	(11,939)
Net cash (used in)/generated from operating activities		(22,681)	99,377
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		75	96
Purchase of property, plant and equipment	10	(3,390)	(10,874)
Net cash used in investing activities		(3,315)	(10,778)
Cash Flows from Financing Activities			
Proceeds from borrowings		37,800	7,500
Repayment of borrowings		(41,800)	(4,000)
Repayment of principal lease liabilities		(3,657)	(4,232)
Proceeds from share options exercised		-	111
Dividend paid		(17,798)	(15,228)
Net cash used in financing activities		(25,455)	(15,849)
Net (decrease)/increase in cash and cash equivalents		(51,451)	72,750
Cash and cash equivalents at the beginning of the period		88,457	70,381
Cash and cash equivalents at the end of the period		37,006	143,131

E. Notes to the condensed interim consolidated financial statements

1 Company information

Civmec Limited (the "Company") is incorporated and domiciled in Australia and its shares are publicly traded on the Australian Stock Exchange and the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the Group). The primary activity of the Company is that of an investment holding company.

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

Organisational Restructure

On 27 October 2023, Civmec Singapore Limited (formerly known as Civmec Limited, domiciled in Singapore) entered into an implementation agreement with Civmec Limited (formerly known as Civmec Australia Limited, domiciled in Australia) with the intention to change the domicile of the head company of the Civmec Group from Singapore to Australia. The Change of Domicile (the 'Restructure') was achieved by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore. The Shareholders' scheme became effective on 4 September 2024.

The Restructure was accounted for as a reverse acquisition in the Civmec Group consolidated financial statements as at 31 December 2024, with Civmec Singapore Limited identified as the acquirer in accordance with AASB 3 *Business Combinations* and SFRS(I) 3 *Business Combinations*. Accordingly, these condensed interim consolidated financial statements reflect a continuation of the Civmec Group.

2 Material accounting policies

(a) Basis of preparation

These condensed interim consolidated financial statements of Civmec Limited (the "Company") and its subsidiaries (the "Group") for the six-month period ended 31 December 2024:

- have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: *Interim Financial Reporting* and Singapore Financial Reporting standards (International) SFRS(I) 1-34: *Interim Financial Reporting*.
- do not include all the information and disclosures required in the annual financial statements.
- should be read in conjunction with the Group's audited consolidated financial statements for the year ended 30 June 2024.
- presented in Australian dollars (AUD or A$) unless otherwise stated.
- were approved by the Board of Directors on 12 February 2025.

E. Notes to the condensed interim consolidated financial statements (continued)

2 Material accounting policies (continued)

(b) Accounting policies

The same accounting policies and methods of computation have been followed in these condensed interim consolidated financial statements as were applied in the 2024 Civmec Annual Report. The Group has considered the implications of new and amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

The Restructure involved the transfer of certain assets and entities between companies within the wider Civmec Group. From an accounting perspective, since these transfers were between wholly owned entities, they are considered common control transactions. The Group's accounting policy for such transfers is to apply book value accounting. This policy choice did not have a material impact on the Group's profit and loss or equity when the assets were transferred as part of the Restructure.

(c) Use of estimates, assumptions and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2024.

(i) Critical judgements in applying the Group's accounting policies

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Impairment of trade and other receivables and contract assets

The Group applies the simplified approach to provide for the ECL ("Expected Credit Losses") for all trade receivables and contract assets at an amount equal to the lifetime ECL. ECLs are a probability weighted estimate (based on the Group's historical experience) measured as the present value of all cash shortfalls on default financial assets considering both quantitative and qualitative information and analysis. Factors considered in individual assessment are geographical regions, payment history, past due status and term.

E. Notes to the condensed interim consolidated financial statements (continued)

2 Material accounting policies (continued)

(c) Use of judgements and estimates (continued)

(i) Critical judgements in applying the Group's accounting policies (continued)

Construction contract revenue

Construction contract revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation ("PO") are excluded from the measure of progress and instead are expensed as incurred.

Construction contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that is highly probable that a significant reversal in the amount of the cumulative revenue will not occur.

In estimating the variable consideration for contract revenue, the Group uses the expected value amount method to estimate the transaction price. The expected value is the sum of probability-weighted amounts in a range of possible consideration amounts. Management has relied on historical experience and the work of experts, analysed by customers and nature of scope of work, from prior years.

Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price. For variations claims, management has determined that a portion of the estimated variable consideration is subject to the constraint as, based on past experience with the customers, it is highly probable that a significant reversal in the cumulative amount of revenue recognised will occur, and therefore will not be recognised as revenue.

Legal proceedings

The Group is exposed to the risk of claims and litigation which can arise for various reasons, including changes in scope of work, delay and disputes etc. Given the nature of the business, variation orders, additional works and prolongation costs are common. As some of these items could be subjective and hence contentious in nature, the Group may from time to time be involved in adjudication or legal processes.

In making its judgment as to whether it is probable that any such adjudication decisions or litigation will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal advisors and technical experts.

In making that overall judgment, management has included in its consideration the likely outcome of the claims. Although an adverse outcome of those claims could have a material adverse impact on the financial position of the Group, management have taken the view that such a material adverse outcome is very unlikely.

E. **Notes to the condensed interim consolidated financial statements** (continued)

2 **Material accounting policies** (continued)

(c) **Use of judgements and estimates** (continued)

(i) Critical judgements in applying the Group's accounting policies (continued)

Impairment of property, plant and equipment and investment properties

The Group assesses impairment of property, plant and equipment and investment properties at each year end by evaluating conditions specific to the Group that may lead to impairment of assets. Adjustments are made when considered necessary.

Impairment assessment of property, plant and equipment and investment properties includes considering certain indications such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant under performance relative to the expected historical or future operating results and significant negative industry or economic trends.

Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease term is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of the leasehold land and buildings, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

E. Notes to the condensed interim consolidated financial statements (continued)

2 Material accounting policies (continued)

(c) Use of judgements and estimates (continued)

(i) Critical judgements in applying the Group's accounting policies (continued)

Valuation of freehold land and buildings and investment properties

The Group carries its freehold land and building and investment properties at fair values which are determined by an independent real estate valuation expert using the highest-and-best use approach which is generally the sales comparison approach (i.e. the basis of market value). In arriving at the valuation figure, the valuer has taken into consideration the prevailing market conditions and differences between the freehold land and building and investment properties and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of the buildings, dates of transactions and other factors affecting their values. The most significant inputs in this valuation approach are the selling price per square meter and the usage of the properties. The estimates are based on local market conditions existing at the reporting date.

Fair values of buildings with no available market information are determined by the independent real estate valuation expert using the depreciated replacement cost method, which involves estimating the current replacement cost of the buildings and from which deductions are made to allow for depreciation due to age, condition and functional obsolescence. The replacement cost is then added to the land value to derive the fair value. The land value is determined based on the direct comparison method with transactions of comparable plots of land within the vicinity and elsewhere. In arriving at the valuation figure, the valuation expert has taken into consideration the prevailing market condition and differences between the freehold land and buildings and the comparable in terms of location, tenure, size, shape, design and layout, age and condition, dates of transactions and other factors affecting their values. The most significant inputs into this valuation approach are the estimated construction costs, depreciation rates and developer profit margin.

E. Notes to the condensed interim consolidated financial statements (continued)

2 Material accounting policies (continued)

(c) Use of judgements and estimates (continued)

(ii) Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following:

Estimation of total contract costs for contracts

The Group has significant ongoing construction contracts as at 31 December 2024 that are non-cancellable. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant assumptions are used to estimate the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised. In making these estimates, management has relied on past experience and the work of specialists.

The Group includes incremental costs of fulfilling the contracts which are the cost of materials and labour required to construct the projects. In estimating the forecast costs, the management exercised judgement in considering costs that relate directly to the contracts.

Estimation of useful lives of property, plant and equipment and investment properties – leasehold land

The useful lives of assets have been based on historical experience, lease terms and best available information for similar items in the industry. These estimations will affect the depreciation expense recognised in the financial year. There is no change in the estimated useful lives of plant and equipment and investment properties – leasehold land during the current financial period.

Income taxes

The Group has exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises receivables or liabilities on expected tax issues based on their best estimates of the likely taxes recoverable or due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made.

E. Notes to the condensed interim consolidated financial statements (continued)

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group is organised into the following main business segments:

- Energy
- Resources
- Infrastructure, Marine & Defence

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

E. Notes to the condensed interim consolidated financial statements (continued)

4 Segment and revenue information (continued)

4.1 Reportable segments

	Group 6 months ended 31 December 2024				Group 6 months ended 31 December 2023			
	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000
Revenue	28,114	406,943	67,804	502,861	20,369	418,896	53,081	492,346
Cost of sales (excluding depreciation)	(25,520)	(370,062)	(40,940)	(436,522)	(17,467)	(360,681)	(44,123)	(422,271)
Depreciation expense	(482)	(8,912)	(1,162)	(10,556)	(329)	(8,597)	(858)	(9,784)
Segment results	2,112	27,969	25,702	55,783	2,573	49,618	8,100	60,291
Other income				1,452				1,976
Unallocated costs								
Administrative expenses*				(16,726)				(14,131)
Depreciation in admin expense*				(53)				(54)
Finance costs				(2,989)				(2,965)
Profit before income tax				37,467				45,117
Income tax expense				(10,974)				(13,224)
Profit for the period				26,493				31,893

	As at 31 December 2024				As at 30 Jun 2024			
	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000
Segment assets:								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				883,324				907,946
Other current assets				2,727				1,393
Deferred tax assets				1,383				968
Total assets				887,444				910,317
Segment liabilities:								
Unallocated liabilities								
Liabilities				315,513				339,151
Borrowings				60,000				64,000
Provisions				16,607				18,948
Total liabilities				390,120				422,099

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

E. Notes to the condensed interim consolidated financial statements (continued)

4 Segment and revenue information (continued)

4.2 Disaggregation of revenue

	Group 6 months ended 31 December 2024				Group 6 months ended 31 December 2023			
	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000
Types of goods or services:								
Construction contract	27,851	347,538	66,170	441,559	16,640	378,500	52,315	447,455
Rendering of services	263	58,400	1,634	60,297	3,729	39,554	766	44,049
Sales of goods	-	1,005	-	1,005	-	842	-	842
Total revenue	28,114	406,943	67,804	502,861	20,369	418,896	53,081	492,346
Timing of revenue recognition:								
At a point in time	-	1,177	899	2,076	-	842	766	1,608
Over time	28,114	405,766	66,905	500,785	20,369	418,054	52,315	490,738
Total revenue	28,114	406,943	67,804	502,861	20,369	418,896	53,081	492,346
Geographical information:								
Australia	28,114	406,943	67,804	502,861	20,369	418,896	53,081	492,346

E. Notes to the condensed interim consolidated financial statements (continued)

5 Profit before income tax

5.1 Significant items

	Group 6 months ended 31 December 2024 A$'000	Group 6 months ended 31 December 2023 A$'000
Other income		
Insurance recoveries	3	4
Fuel tax rebate	449	86
Interest income	932	1,786
Gain on disposal of property, plant and equipment	14	79
Subsidies and incentives	37	18
Sundry revenue	17	3
	1,452	1,976
Depreciation of property, plant and equipment and investment properties – leasehold land		
Included in cost of sales	10,556	9,784
Included in administrative expenses	53	54
	10,609	9,838
Finance costs		
Corporate market loan and line fees	2,504	2,415
Lease liabilities	385	407
Other finance costs	100	143
	2,989	2,965
Included in cost of sales:		
Lease liabilities	1,822	1,722
Total finance costs	4,811	4,687

E. Notes to the condensed interim consolidated financial statements (continued)

6 Related party transactions

The Group's main related parties are as follows:

Entities exercising control over the Group

The largest shareholders are James Finbarr Fitzgerald and Olive Theresa Fitzgerald (acting as trustees for the JF & OT Fitzgerald Family Trust) (19.22%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (19.18%). Patrick John Tallon is a beneficiary of the Kariong Investment Trust.

Key Management Personnel

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

Remuneration paid to key management personnel is as follows:

	Group	
	6 months ended	
	31 December 2024 A$'000	31 December 2023 A$'000
Directors' remuneration		
- Salaries and other related costs	2,239	1,819
- Directors' fees -	187	163
- Share-based payment: cash-settled -	1,145	1,308
- Benefits including defined contribution plans	75	71
Other key management personnel		
- Salaries and other related costs	2,430	1,793
- Benefits including defined contribution plans	115	108
	6,191	5,262

E. Notes to the condensed interim consolidated financial statements (continued)

6 Related party transactions (continued)

Directors' interest in employee share benefit plans

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

	Group	
	As at	
	31 December 2024 No.	30 June 2024 No.
Performance rights		
Directors	996,000	1,057,000
Key management personnel	3,480,000	2,512,000

Other related parties

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

Transactions with related parties

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

Newpark WA Pty Ltd (as Trustee for The Fitzgerald Newpark Family Trust) purchased steel and other materials at arm's length from Civmec Construction & Engineering on 13 September 2024, valued at $142,000 (ex GST). (31 December 2023: Nil)

7 Income tax expense

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

	Group	
	6 months ended	
	31 December 2024 A$'000	31 December 2023 A$'000
Current income tax expense	10,753	13,640
Deferred income tax expense relating to origination and reversal of temporary differences	218	(416)
Total income tax expense	10,974	13,224

E. Notes to the condensed interim consolidated financial statements (continued)

8 Earnings per share

	Group 6 months ended 31 December 2024	31 December 2023
Profit attributable to owners of the Company (A$'000)	26,493	31,894
Weighted average number of shares		
- Basic	508,023,408	506,778,467
- Diluted	514,112,408	512,067,467
Earnings per ordinary share (A$ cents)		
- Basic	5.21	6.29
- Diluted	5.15	6.23

Basic earnings per share (EPS) is calculated by dividing the consolidated profit after tax attributable to the equity holders of the Company, by the weighted average number of ordinary shares outstanding during the financial period. Diluted EPS is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number or ordinary shares used in the basic EPS calculation for the effect of dilutive potential ordinary shares.

As at 31 December 2024, the diluted earnings per share includes the effect of 6,089,000 unissued ordinary shares granted under CPRP due to their dilutive effect (30 June 2024: 5,289,000, dilutive).

9 Net asset value

	Group		Company	
	As at		As at	
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Net assets attributable to owners (A$'000)	497,585	488,479	44,923	55,776
Net asset value per ordinary share based on issued share capital at the end of the respective periods (A$ cents)	97.85	96.23	8.83	10.99

Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company by the number of issued shares as at 31 December 2024 of 508,528,000 (30 June 2024: 507,591,000).

E. Notes to the condensed interim consolidated financial statements (continued)

10 Property, plant and equipment

During the six months ended 31 December 2024, the Group acquired assets amounting to A$3,390,000 (31 December 2023: A$10,874,000).

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

Location	Description/Existing use	Tenure
2-8 Stuart Drive, Henderson, Western Australia	Land and buildings / Operational readiness and logistics support facility	Freehold
16 Nautical Drive, Henderson, Western Australia	Buildings on leasehold land / Undercover waterfront, Manufacturing, Modularisation and Maintenance Facility	Leasehold land leases: i. 34-year lease from August 2010, with further 35 years option ii. 30-year lease from March 2014, with further 35 years option iii. 28-year lease from December 2016, with further 45 years option
35-39 Old Punt Road, Tomago, New South Wales	Land and buildings / Manufacturing facility and modular assembly laydown area	Freehold
Lot 324 & Lot 325 Hedland Junction, Wedgefield, Port Hedland	Land and buildings / Manufacturing workshop and office facility. This property is currently classified under Asset under construction.	Freehold
10 Eucla Close, South Hedland, Western Australia	Land and buildings / Accommodation support	Freehold
45 Bensted Road, Callemondah, Gladstone Queensland	Land / New facility to be constructed. This is currently classified under Asset under construction	Freehold
2 George Mamalis, Callemondah, Gladstone Queensland	Land and building / Workshop and office facility. This is currently classified under Asset under construction	Freehold

Freehold land and buildings carried at fair value

The latest valuation of the fair value of the freehold land and buildings of the Group was carried out by Asset Valuation Advisory at 30 June 2024. The fair value is determined by the valuer on the highest and best use approach of each asset. Such valuation was determined using the Sales Comparison approach (to market-type properties), Hypothetical Development approach, Income Capitalisation approach and Depreciated Replacement Cost ("DRC") approach (to non-market-type properties). The fair value has been derived through a mix of Level 2 inputs where applicable and Level 3 inputs where the Valuer has deemed Level 2 inputs to be not applicable. No revaluation was performed during the period.

E. Notes to the condensed interim consolidated financial statements (continued)

10 Property, plant and equipment (continued)

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

Description	Borrowings	Group As at 31 December 2024 A$'000	Group As at 30 June 2024 A$'000
Leased plant and equipment	Lease liabilities	37,228	36,167
Remaining property, plant and equipment	Corporate market loan, multi-option	494,337	496,673
		531,565	532,840

11 Investment properties

	Buildings A$'000	Leasehold land A$'000	Total A$'000
31 December 2024			
Cost or valuation			
At the beginning of the period	15,990	2,597	18,587
Addition – ROU	-	158	158
At 31 December 2024	15,990	2,755	18,745
Accumulated depreciation			
At 1 July 2024	-	(128)	(128)
Depreciation for the period	-	(29)	(29)
At 31 December 2024	-	(157)	(157)
Net carrying amount			
At 31 December 2024	15,990	2,598	18,588
30 June 2024			
Cost or valuation			
At 1 July 2023	15,260	2,006	17,266
Addition – ROU	-	591	591
Revaluation increase – recognised in profit or loss	730	-	730
At 30 June 2024	15,990	2,597	18,587
Accumulated depreciation			
At 1 July 2023	-	(82)	(82)
Depreciation for the year	-	(46)	(46)
At 30 June 2024	-	(128)	(128)
Net carrying amount			
At 30 June 2024	15,990	2,469	18,459

E. Notes to the condensed interim consolidated financial statements (continued)

11 Investment properties (continued)

Buildings carried at fair value

The latest valuation of the fair value revaluation of the buildings was carried out by Asset Valuation Advisory as at 30 June 2024. The fair value is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy due to its specialised nature which is not readily traded in the marketplace.

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

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

No revaluation was performed during the period. The fair value measurement for the investment property of A$15,990,000 (30 June 2024: A$15,990,000) has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

Leasehold land carried at cost

The asset is depreciated on a straight-line basis over its lease term. The depreciation rate used is 2%.

(a) Investment property is leased to non-related parties under operating leases.

Amounts recognised in profit or loss for investment properties

	Group	
	6 months ended	
	31 December 2024 A$'000	31 December 2023 A$'000
Rental income	175	175
Direct operating expenses from investment property that generated rental income	(221)	(149)

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

		Group	
		As at	
Description	**Borrowings**	31 December 2024 A$'000	30 June 2024 A$'000
Investment properties	Corporate market loan, multi-option	18,588	18,459

E. Notes to the condensed interim consolidated financial statements (continued)

12 Borrowings

	Group			
	As at		As at	
	31 December 2024 Secured A$'000	31 December 2024 Unsecured A$'000	30 June 2024 Secured A$'000	30 June 2024 Unsecured A$'000
Amount repayable in one year or less, or on demand:				
Corporate market loan	-	-	8,000	-
Amount repayable after one year, or on demand:				
Corporate market loan	60,000	-	56,000	-
Total borrowings	60,000	-	64,000	-

Corporate market loan

The Group is required by the banks to maintain certain financial ratios such as leverage ratio, tangible net worth and debt service cover ratio. As at 31 December 2024, the Group met all of these financial covenants.

As at 31 December 2024, the Group has a commercial bank facility amounting to A$90 million (30 June 2024: A$64 million) which was 66.7% utilised (30 June 2024: fully utilised). The facility limit reduces by A$2 million per quarter with borrowings within A$8 million of the facility limit becoming a current liability. The Group is only utilising 66.7% of the facility limit which does not require any re-payments within the next 12 months. Interest rates are variable and ranged between 5.53% to 5.55% (31 December 2023: 5.02% to 5.65%) per annum during the current financial period.

Multi-option facility

The Group has a multi-option facility of A$70 million (30 June 2024: A$70 million) which was 4.6% utilised as at 31 December 2024 (30 June 2024: 2.3% utilised). It can be used for revolving commercial loan, bank guarantees and letter of credit. Interest rates are fixed at the time of drawing, except for (1) revolving commercial loan with variable interest rates and (2) bank guarantees on which incur with issuance fee and service fee instead of interest.

General security deed

Both the commercial bank and multi-option facilities are secured by certain property, plant and equipment and investment properties as disclosed in Note 10 and Note 11 to the financial statements.

E. Notes to the condensed interim consolidated financial statements (continued)

13 Share capital

Fully paid ordinary shares

	Group			
	As at			
	31 December 2024		30 June 2024	
	No. of shares	A$'000	No. of shares	A$'000
At the beginning of the period/year	507,606,000	29,918	505,132,000	29,807
Share issued during the period/year				
- Conversion of performance rights	937,000	-	2,324,000	-
- Conversion of share options	-	-	150,000	111
Cancellation of treasury shares	(15,000)	(10)	-	-
At the end of the period/year	508,528,000	29,908	507,606,000	29,918

During the current financial period, all shares held in Civmec Singapore Limited (formerly named Civmec Limited) were acquired by Civmec Limited (formerly named Civmec Australia Limited) in exchange for shares in Civmec Limited on a 1:1 basis. This transaction was completed under a scheme of arrangement as part of the Company's re-domicile.

During the current financial period, 937,000 shares were issued pursuant to vesting and conversion of performance rights held by key management personnel and other management.

Treasury shares

During the current financial period, the 15,000 treasury shares were cancelled in Civmec Singapore Limited.

Performance rights

Following the Restructure, the 5,289,000 existing performance rights issued under Civmec Singapore (formerly known as Civmec Limited) were cancelled and replaced with new performance rights issued under Civmec Limited (formerly known as Civmec Australia Limited). These were issued equal in number to, and on the same terms and conditions as the existing performance rights, with the exception that the new performance rights, on conversion, convert into shares. The new performance rights are subject to the same vesting criteria.

During the current period, 937,000 rights were vested and converted to shares, 546,000 rights were cancelled and 2,283,000 new performance rights were issued.

6,089,000 rights remain unvested as at 31 December 2024 (30 June 2024: 5,289,000).

14 Subsequent events

Update on Ownership Transfer of Luerssen Australia

On 15 October 2024, Civmec Limited and NVL B.V. & Co. KG (Naval Vessels Lürssen) of Bremen, Germany have entered into a non-binding Heads of Agreement detailing the framework for the transfer of ownership of Luerssen Australia Pty Ltd to Civmec Limited. As of the date of this report, Civmec Limited has made positive progress with the due diligence process, and both parties are working towards a revised Effective Date for the transfer of ownership to be on or before 1 July 2025.

15 Other disclosure

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

F. Other Information Required by Listing Rule Appendix 7.2

1 Review

These figures have not been audited or reviewed.

2 Review of performance of the Group

Statement of comprehensive income

1H2025 vs 1H2024

Revenue for six months ended 31 December 2024 (‘1H2025’) increased 2.1% to A$502.9 million from A$492.45 million for the six months ended 31 December 2023 (‘1H2024’) mainly due to the timing of revenue recognition on projects.

Gross profit for 1H2025, however, decreased 7.5% to A$55.8 million from A$60.3 million in 1H2024 with gross margin of 11.1%.

Other income decreased by 26.5% to A$1.5 million in 1H2025 compared to 1H2024 mainly due to lower interest income earned from bank accounts.

Administrative expenses increased by 18.3% in 1H2025 compared to 1H2024 mainly due to company fees, consultant fees and stamp duty incurred for the change of domicile and changes to the way the Group classifies support function costs.

Finance costs slightly increased by 0.8% in 1H2025 compared to 1H2024 as a result of increased interest rate paid on borrowings.

Net profit attributable to shareholders decreased 16.9% to A$26.5 million in 1H2025 from A$31.9 million in 1H2024. This was due to decreased gross margin and higher administrative expenses incurred during the period.

1H2025 vs 2H2024

Revenue for the six months ended 31 December 2024 (‘1H2025’) decreased by 7.1% to A$502.9 million from A$541.1 million for the six months ended 30 June 2024 (‘2H2024) mainly due to the timing of revenue recognition on projects.

Gross profit for 1H2025 decreased 5.0% to A$55.8 million from A$58.7 million.

Administrative expenses increased by 27.8% in 1H2025 compared to 2H2024 mainly due to higher spending in consultant fees related to the change of domicile.

Net profit attributable to shareholders decreased 18.5% to A$26.5 million in 1H2025 from A$32.5 million in 2H2024 as a result of reduced gross margins in the period and increased administrative expenses during the period.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

2 Review of performance of the Group (continued)

Statement of financial position

Total shareholders' equity increased to A$497.3 million as at 31 December 2024 from A$488.2 million as at 30 June 2024 as a result of profit earned in the period being partially offset by dividends paid in the period.

Trade and other receivables increased to A$97.1 million as at 31 December 2024 from A$94.6 million as at 30 June 2024 mainly due to timing of invoicing to customers during the period.

Contract assets increased to A$198.8 million as at 31 December 2024 from A$173.6 million as at 30 June 2024 reflecting the timing of payment claims and revenue recognition on current projects.

Trade and other payables decreased to A$127.4 million as at 31 December 2024 from A$153.1 million as at 30 June 2024 as the Group continued to pay suppliers within terms. Contract liabilities increased to A$55.0 million as at 31 December 2024 from A$49.3 million as at 30 June 2024 reflecting the timing of payment claims.

Cash and cash equivalents as at 31 December 2024 were A$37.0 million decreased from A$88.5 million as at 30 June 2024 mainly as a result of the cash used for financing activities and tax payments.

Property, plant and equipment decreased to A$531.6 million as at 31 December 2024 from A$532.8 million as at 30 June 2024 mainly due to depreciation expenses incurred for the period partially offset by the re-measurement of existing right-of-use assets due to price escalation, as well as capital works.

Overall lease liabilities increased to A$60.6 million as at 31 December 2024 from A$58.6 million as at 30 June 2024. This increase was driven by the acquisition of new assets through finance leases and the re-measurement of existing operating leases due to increased price escalation during the period, offset by the repayment of principal lease liabilities.

Overall borrowings decreased to A$60.0 million as at 31 December 2024 from A$64.0 million as at 30 June 2024 as a result of repayment of borrowings in the period.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

2 Review of performance of the Group (continued)

Statement of cash flows

Overall cashflow before working capital changes was A$52.4 million for the six months ended 31 December 2024 ('1H2025') compared to A$58.1 million for the six months ended 31 December 2023 ('1H2024') reflecting the decreased profit before tax in the period.

Cash generated from operations remained positive at A$0.7 million for 1H2025 compared to A$111.2 million in 1H2024 resulting from the timing of payments on key projects. The Group received A$104.1 million of cash from debtors in the month of January 2025 and anticipates that increased conversion of contract assets to cash will increase cash generating activities in the six months ended 30 June 2025. The increased cash requirements for operations resulted in net cash deficit of A$22.7 million in operating activities for 1H2025, compared to positive cash flow of A$99.4 million in 1H2024.

The Group spent A$3.4 million on capital expenditure, primarily on replacing ageing plant and equipment with new equipment.

The Group made net repayment of A$4.0 million on borrowings and made repayments against leases of A$3.7 million.

As at 31 December 2024, the Group's cash and cash equivalents were A$37.0 million decreased from A$88.5 million as at 30 June 2024.

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

N/A

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

Civmec is an integrated multi-disciplinary heavy engineering, construction and maintenance provider to the Energy, Resources, Infrastructure, Marine & Defence sectors.

Whilst the Group continues to maintain its strong relationship with long-term customers it has observed a shift in market conditions which is driving delays in the timing of key project awards or re-scheduling of timing of projects. These delays / re-scheduling will result in lower levels of activity for the Group during 2H FY25 (with the potential to extend into 1H FY26). Despite these delays / re-scheduling, the Group notes that the pipeline of tendering activities remains strong, and forward indications remain positive for upcoming projects across the sectors.

The Group continues to focus on maintaining a strong pipeline of tendering activities and exploring new revenue streams to ensure sustained growth and profitability.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

5 Dividend information

a) Any dividend declared for the current financial period reported on?

Name of Dividend	Interim (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per Share	2.5 Australian Cents
Tax Rate	Tax Exempt
Number of Shares	508,528,000

Note: For Australian tax resident shareholders the dividend payable is fully franked.

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

Name of Dividend	Interim (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per Share	2.5 Australian Cents
Tax Rate	Tax Exempt
Number of Shares	507,606,000

c) Date payable

11 April 2025

d) Books closure date

Share Transfer Books of Civmec Limited (the "Company") will be closed on 27 March 2025, for the preparation of dividend warrants to the proposed tax exempt (Foreign Sourced) Interim dividend of A$0.025 for the financial year ending 30 June 2025 ("Interim Dividend").

Duly completed registrable transfers in respect of the shares in the Company received up to 5:00 p.m. on 26 March 2025 ("Record Date") by the Company's Share Registrars will be registered to determined Members' entitlements to the Interim Dividend. Depositors who Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5:00 p.m. on the Record Date will be entitled to the Interim Dividend.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

6 Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

There was no interested person transactions conducted under shareholders' mandate for the period.

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

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

Confirmations by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 31 December 2024 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

James Finbarr Fitzgerald
Executive Chairman

13 February 2025