

# **Appendix 4E**

For the year ended 30 June 2025

**Simonds Group Limited**

ACN: 143 841 801

This report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A.

# SIMONDS GROUP LIMITED (ASX: SIO)

## APPENDIX 4E

### YEAR ENDED 30 JUNE 2025

The following sets out the requirements of Appendix 4E with the stipulated information either provided here or cross referenced to the 2025 Consolidated Financial Report as at 30 June 2025 and the accompanying notes in accordance with Listing Rule 4.3A.

#### Company Details and Reporting Period

Simonds Group Limited

ACN: 143 841 801

Reporting period: Year ended 30 June 2025

Previous reporting period: Year ended 30 June 2024

| Results for Announcement to the Market for the year ended 30 June 2025      |      |          |    |        |    |          |
|-----------------------------------------------------------------------------|------|----------|----|--------|----|----------|
| Revenue from ordinary activities from continuing operations (\$m)           | Up   | \$2.1m   | by | 0.3%   | to | 665.6m   |
| Profit from ordinary activities before tax from continuing operations (\$m) | Down | (\$2.4m) | by | 54.5%  | to | \$2.0m   |
| Profit from ordinary activities after tax from continuing operations (\$m)  | Down | (\$1.6m) | by | 53.3%  | to | \$1.4m   |
| Profit after tax from discontinued operations (\$m)                         | Down | (\$1.4m) | by | 140.0% | to | (\$0.4m) |
| Net Profit after tax (\$m)                                                  | Down | (\$3.0m) | by | 75%    | to | \$1.0m   |
| Net Profit attributable to members (\$m)                                    | Down | (\$3.0m) | by | 75%    | to | \$1.0m   |

| Dividends                       | Amount per share (cents) | Franked amount per share (cents) |
|---------------------------------|--------------------------|----------------------------------|
| For the year ended 30 June 2025 | Nil                      | Nil                              |
| For the year ended 30 June 2024 | Nil                      | Nil                              |

| Net tangible asset backing per ordinary share      | Amount per share (cents) |
|----------------------------------------------------|--------------------------|
| As at 30 June 2025 (including right-of-use assets) | (0.33)                   |
| As at 30 June 2024 (including right-of-use assets) | 4.30                     |

Net assets backing per share at 30 June 2025 was 5.43 cents (30 June 2024: 5.14 cents).

On 1 March 2025, Simonds acquired 100% of the issued capital in Dennis Family Homes Pty Ltd. The acquired business contributed revenues of \$62.6m for the period 1 March 2025 till 30 June 2025, which are included in the results above. The acquisition has been accounted for on provisional basis at year end.

#### Other Information

This report is based on the financial report which has been audited by PKF Melbourne Audit & Assurance Pty Ltd.

For a brief explanation of the results presented in this Appendix 4E, please refer to the ASX announcement on the results for the year ended 30 June 2025 and the financial report.

# Simonds Group Limited

ACN: 143 841 801

Financial Report for the year ended 30 June 2025



# Simonds Group Limited

## Financial Report for year ended 30 June 2025

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## Directors' report

The directors of Simonds Group Limited (the "Company") submit herewith the annual financial report of the consolidated entity consisting of the Company and the entities it controlled (the "Group") for the financial year ended 30 June 2025. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Information about the directors

The names of the directors of the Company during or since the end of the financial year are:

| Current Directors          |                   |                                                   |
|----------------------------|-------------------|---------------------------------------------------|
| Name                       | Date appointed    | Current Position                                  |
| Rhett Simonds <sup>1</sup> | 20 April 2016     | Chief Executive Officer (CEO) and Executive Chair |
| Mark Simonds <sup>2</sup>  | 20 September 2017 | Executive Director                                |
| Piers O'Brien <sup>3</sup> | 20 September 2017 | Non-Executive Director                            |
| Andrew Bloore <sup>4</sup> | 27 July 2021      | Non-Executive Director                            |
| Richard Grellman           | 9 May 2023        | Independent Non-Executive Director                |

| Former Directors |                 |               |                                           |
|------------------|-----------------|---------------|-------------------------------------------|
| Name             | Date appointed  | Date resigned | Position                                  |
| David Denny      | 1 November 2021 | 11 April 2025 | Former Independent Non-Executive Director |

The particulars of the directors are as follows:

| NAME          | EXPERIENCE AND DIRECTORSHIPS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rhett Simonds | <ul style="list-style-type: none"><li>Rhett is the CEO, Executive Chair of the Board and is a member of the Audit &amp; Risk Committee and the Nomination &amp; Remuneration Committee.</li><li>Rhett holds a Bachelor of Commerce from Deakin University.</li><li>Rhett has been involved with the business since joining the Simonds Group of Companies in 2005. Rhett has a strong focus on the property and construction sector, where he sits on a number of private company boards.</li><li>In addition to his experience in the property and construction sector, Rhett is a director of and investor in a number of technology and finance related businesses.</li></ul> |
| Mark Simonds  | <ul style="list-style-type: none"><li>Mark is an Executive Director of the Board and is a member of the Audit &amp; Risk Committee and the Nomination &amp; Remuneration Committee.</li><li>Mark holds a registered builder's licence in Victoria, NSW, Queensland and South Australia. Mark has spent over 40 years immersed in the volume home building industry.</li><li>Prior to Simonds Group Limited listing in 2014, Mark was fully engaged in the day-to-day executive management of Simonds Homes. From 1973 until its listing, Mark worked alongside his father Gary Simonds, and understands what is required for a successful volume building business.</li></ul>    |

<sup>1</sup> On 11 April 2025, SIO announced that Mr Rhett Simonds was appointed the Group CEO and will retain his role as Executive Chair.

<sup>2</sup> Effective from 11 April 2025, Mr Mark Simonds was appointed as Executive Director – Design, Procurement and Construction.

<sup>3</sup> Mr Piers O'Brien was appointed Chair of the Nomination & Remuneration Committee on 11 April 2025.

<sup>4</sup> Mr Andrew Bloore was appointed as Deputy Chair of the Board and stepped down as Chair of Nomination & Remuneration Committee effective from 11 April 2025.

| NAME             | EXPERIENCE AND DIRECTORSHIPS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | <ul style="list-style-type: none"> <li>Mark is the Deputy Chair of Simonds Family Office, which is primarily focussed on venture capital, private equity, building and construction and the broader real estate sector.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Andrew Bloore    | <ul style="list-style-type: none"> <li>Andrew was appointed the Deputy Chair of the Board on 11 April 2025.</li> <li>Andrew is an experienced Non-Executive Director, Entrepreneur, and farmer. He has designed, built and sold a number of businesses focussed on the development of key disruptive technologies and distribution services in traditional markets, to create business efficiencies including Smartsuper, SuperIQ and Class Super.</li> <li>Andrew has worked on a range of Senate and Treasury Committees, and with the Australian Taxation Office Regulations Committee on regulation of the superannuation industry.</li> <li>In 2016, Andrew sold his superannuation administration business to AMP, stepped down from the Senate and Treasury Committees and is now focussed on contributing to the organisations as a Non-Executive Director.</li> <li>Andrew is currently Chairman of Guild Group, and an Independent, Non-Executive Director of Insignia Financial Limited and Steadfast Group Limited. Andrew was a Non-Executive Director of Simonds Family Office Pty Ltd until 1 May 2024.</li> </ul> |
| Piers O'Brien    | <ul style="list-style-type: none"> <li>Piers is the Chair of the Group's Nomination &amp; Remuneration Committee and a member of the Audit &amp; Risk Committee.</li> <li>Piers is a qualified lawyer with over 20 years' professional experience.</li> <li>Piers is the Chief Executive Officer of the Simonds Family Office before which he spent the previous 12 years working in in-house legal roles as both General Manager Legal and General Counsel. During this time, he managed the legal function at ASX 200 company Skilled Group Limited for approximately 8 years.</li> <li>Piers started his career in private practice with K&amp;L Gates Lawyers (and its predecessor firms) where he spent 8 years specialising in mergers and acquisitions, corporate transactions and board advisory work.</li> </ul>                                                                                                                                                                                                                                                                                                         |
| Richard Grellman | <ul style="list-style-type: none"> <li>Richard is an Independent, Non-Executive Director of Simonds Group Limited. He is the Chair of the Group's Audit &amp; Risk Committee and a member of the Nomination &amp; Remuneration Committee.</li> <li>Richard is Chairman of FBR Ltd and Lead Independent Director of The Salvation Army in Australia.</li> <li>Richard has been a professional non-executive director since 2000. Prior to that, he worked at KPMG for 32 years, including as a partner from 1982 to 2000. His practice focussed on the provision of strategic advice and services to the Financial Services sector.</li> <li>In 2007, Richard was appointed a member of the Order of Australia for service to the community, particularly through leadership roles with Mission Australia and fundraising with Variety, The Children's Charity, and to the finance and insurance sectors.</li> </ul>                                                                                                                                                                                                               |

## Directors' shareholding

The following table sets out each of the directors' relevant interest in shares and rights or options on shares of the Company or related body corporate as at the date of this report:

| Directors        | Fully Paid Ordinary shares<br>(Number) | Share options<br>(Number) |
|------------------|----------------------------------------|---------------------------|
| Rhett Simonds    | 14,044                                 | -                         |
| Mark Simonds     | 56,741                                 | -                         |
| Andrew Bloore    | 848,683                                | -                         |
| Piers O'Brien    | -                                      | -                         |
| Richard Grellman | -                                      | -                         |

## Company Secretary

Amanda Jones continues her role as Company Secretary of Simonds Group Limited. Amanda is a member of the Executive Leadership Team and the Group's General Chief Legal Officer. Amanda holds a Bachelor of Arts /Bachelor of Laws (Hons) from Monash University and is a Fellow of the Governance Institute of Australia. Prior to joining the Group, Amanda held the roles of General Counsel & Company Secretary and General Manager Corporate Services at MaxiPARTS Limited (ASX:MXI, formerly MaxiTRANS Industries Limited).

## Operating and Financial Review

### *Principal activities*

The Group's principal activities during the financial year were the design, sale and construction of residential dwellings. In addition, the Group has been working with domestic building insurers to support customers that are impacted by builder insolvencies in Victoria.

### *Business Overview*

Building homes since 1949, Simonds is one of Australia's largest volume homebuilders, with display homes located in Victoria, Queensland and South Australia. Our diverse product range caters to every type of buyer, with single and double-storey detached homes, medium-density developments, and dual occupancy projects. We serve both metropolitan areas of state capitals and large regional cities, ensuring quality and choice for all our customers.

The Group maintains a small development land portfolio via direct land ownership and participates in other development land projects via indirect holdings.

A key milestone in FY25 was the successful acquisition of Dennis Family Homes (DFH), a substantial and respected residential builder operating in Victoria and New South Wales. The acquisition significantly expands the Simonds market reach and enhances the portfolio of home designs and display home footprint across Victoria. The acquisition included the jobs that were under construction and the forward order book, enhancing operational scale and supporting growth in profitability.

### *Operations*

Group revenue from continuing operations for the period was \$665.6 million, remaining stable compared to the previous corresponding period. The revenue mix has evolved over the period, with the part year impact of the DFH acquisition, growth in the Spec home channel and reduction of activity in the Insurance channel. Several new display homes were open in the period increasing the revenue from displays year on year.

Simonds Homes recorded 1,526 site starts for the period, 246 down on the previous corresponding period. The decrease is due to the reduced site starts in the Insurance channel. The FY24 Insurance starts were abnormally high given the number and size of building entities going into liquidation in the prior period. In FY24, Simonds allocated additional resources to support customers impacted by these unfortunate events, completing construction of the homes impacted and supporting a return of confidence to the residential construction sector. The reduced starts were offset by growth in the Project and Spec channel starts, and the starts of jobs in the last 4 months acquired through the DFH acquisition.

Gross Margins continued to improve year on year as initiatives were implemented to drive further efficiencies across the Simonds cost base and to enhance productivity of jobs under construction. Operating expenditure includes one-off transaction and integration related cost of \$6.2million, mostly associated with the DFH acquisition. The Group has continued to invest in capacity and capability to establish the Medium Density and Wholesale channels delivering a substantial library of innovative new product designs in these areas. These factors have resulted in a moderate increase in the EBITDA for the group in FY25.

### **Earnings per share**

The calculation of earnings per share (EPS) is presented in note 10.

EPS has been calculated in accordance with the requirements of Accounting Standards based on:

- profit after tax attributable to shareholders (Statutory profit); and
- the weighted average number of ordinary shares outstanding during the year ended 30 June 2025 of 359,906,450 (2024: 359,906,450).

|                                       |      | 30 June<br>2025 | 30 June<br>2024 |
|---------------------------------------|------|-----------------|-----------------|
|                                       | Note | Cents per share | Cents per share |
| <b>EPS from continuing operations</b> |      |                 |                 |
| Basic                                 | 10   | 0.39            | 0.84            |

### **Balance sheet**

The available liquidity of \$47.7 million as at 30 June 2025 remains healthy and includes \$23.3 million of cash on hand.

The balance sheet structure was materially impacted by the DFH acquisition. Intangible assets increased by \$17.7million, which include the product designs, and the forward order book acquired, supporting future delivery capability and revenue growth. In addition, the transaction created \$12.3million of goodwill. Provision increases reflect the contractual obligations of the DFH employees taken on and the incremental maintenance and warranty liability of DFH jobs acquired. Other financial liabilities comprise of the deferred compensation still payable for the acquisition which will be paid over the next 12-24 months.

Other working capital movements are aligned with the evolution in the channel mix and the improved productivity of jobs under construction.

### **Operating cash flows**

The Group generated net operating cash flows of \$39.4 million (2024: \$2.7 million) inclusive of the investment in display homes and other sales channels. The net movements across the comparative years of \$36.7 million reflects the increased productivity and change in channel mix of jobs under construction. The more complex Insurance channel required longer build times and with the reduction of jobs in this area, working capital has been unlocked.

### **Future developments**

After a prolonged period of macroeconomic headwinds, the industry is expecting a modest recovery in housing starts. Land sales have started to improve but remain well below historical averages. Customer demand continues to shift towards affordable, turnkey, smaller lot solutions which Simonds are well placed to meet given the investment in Medium Density capability. Government initiatives continue to drive demand for affordable housing and new programs should unlock further development opportunities.

The FY25 investment in the DFH acquisition is expected to drive revenue growth in FY26 and generate synergies throughout the business given the increased scale and capabilities acquired. The continued investment in FY25 in the Medium Density and Wholesale channels should see delivery maturing within these channels, increasing revenue and profit. Several strategic initiatives have been actioned and should drive further cost efficiencies as processes are streamlined and resources re-aligned, supporting operational delivery of the changing mix of site starts.

The Board expects a continued improvement in FY26, with investment over the previous 12 months supporting growth in volumes across all channels, while cost optimisation remains front of mind to improve profitability.

## Summary of key business risks

The Board remains confident about the Group's future trading performance and acknowledges there are certain factors that may pose a risk to the achievement of the Group's business strategies and future performance.

There are some risks specific to the Group's home building business, as well as external risks, such as the economic environment, over which the Group has no control. The Group's risk management approach is to identify, evaluate, mitigate and manage its financial, operational, and business risks. The risk assessment approach includes an estimation of the likelihood of risk occurrence and potential impacts on the financial results. Risks are assessed across the business and reported to the Audit & Risk Committee and to the Board where required under the Group's Risk Management Framework.

### Impact of macroeconomic pressures

The interest rate environment continues to impact the borrowing capacity of the Group's retail customers. The reduced borrowing capacity of individuals and the decrease in affordability has moderated sales activity within the retail channel.

The Group expects these factors to improve over the near term and result in improved sales activity.

While general economic conditions are outside the Group's control, the Group seeks to reduce its exposure to these risks by closely monitoring both internal and external sources of information that provide insights to changes in demand within the markets and regions in which it operates.

The Group continues to invest in its capability in alternative sales channels and diversify the sales mix to reduce the impact of the economic environment on a specific channel.

### DFH Acquisition integration

The DFH acquisition represents a material opportunity to improve revenue and efficiency. Ineffective integration of the new business processes and staff pose a material risk that the benefits and synergies underlying the acquisition business case would not be achieved.

The active management of this risk remains important, and management has setup an integration control board to continuously review and monitor each workstream critical to the successful integration of the DFH acquisition. In addition, several sub-committees were formed to facilitate execution, such as the IT sub-committee, to actively monitor and ensure successful integration of the DFH applications into the Simonds IT environment. Key employee programs were rolled out to ensure effective integration into the Simonds environment and culture.

This will remain a key area of focus for management over the next 12 months.

### Liquidity

The effective management of liquidity remains a critical activity for any construction entity. Although the Group has a healthy liquidity position, management remains focused and mindful of the impact that unexpected working capital movements can have on the cash position. Strict daily cash flow forecasting measures remain in place including visibility over near and medium-term cash requirements.

### Information Technology ("IT") security and data security breaches

The potential failure of IT security controls may result in the loss, inability to access information, destruction or theft of customer, supplier, and financial or other commercially sensitive information. This has the potential to adversely affect operating results and potentially damage the reputation of the Group.

There are several key controls in place to mitigate the risk, which include continuous scanning and validation of all access to the Group's IT environment including data flows. The Group endeavours to stay abreast of threats through penetration testing and control reviews from cyber security experts. The Group has refreshed the IT road map that supports the ongoing investment in infrastructure and applications that ensure a strong security environment protecting the Group and infrastructure from the rising threat in cyber security. In addition, the Group has invested in additional cyber security resources that are dedicated to the active management of this risk and the continuous upgrade of the cyber framework to mitigate this challenging risk.

## Subsequent events

There are no events that occurred subsequent to the reporting date that may significantly affect Group's operations, results or state of affairs in future periods.

## Dividends

Given the financial results of the Group for the current financial year combined with the intent to rebuild the balance sheet, the Directors have determined that no dividend will be paid in relation to the 2025 financial year (2024: nil). Future dividends will be subject to the Directors' assessment of the Company's financial position at the appropriate time.

## 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, and all Executive Officers of the Company and of any related body corporate against a liability incurred as such a director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

## Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 12 Board meetings, 5 Nomination & Remuneration Committee meetings and 6 Audit & Risk Committee meetings were held.

| Directors                | Board of Directors |          | Nomination & Remuneration Committee |          | Audit & Risk Management Committee |          |
|--------------------------|--------------------|----------|-------------------------------------|----------|-----------------------------------|----------|
|                          | Held               | Attended | Held                                | Attended | Held                              | Attended |
| Rhett Simonds            | 12                 | 12       | 5                                   | 5        | 6                                 | 6        |
| Mark Simonds             | 12                 | 8        | 5                                   | 4        | 6                                 | 5        |
| Andrew Bloore            | 12                 | 12       | 5                                   | 5        | 6                                 | 5        |
| David Denny <sup>1</sup> | 10                 | 9        | 3                                   | 2        | 6                                 | 5        |
| Piers O'Brien            | 12                 | 12       | 5                                   | 5        | 6                                 | 6        |
| Richard Grellman         | 12                 | 11       | 5                                   | 5        | 6                                 | 6        |

## Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit & Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditors 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.

<sup>1</sup> Mr David Denny resigned as director of Simonds, effect from 11 April 2025.

## Remuneration report

Dear Shareholders,

On behalf of the Board, I am pleased to present the Simonds Group Remuneration Report for the financial year ended 30 June 2025.

FY25 marked a year of both consolidation and strategic transition for the Group, amidst a challenging operating environment in the residential construction sector. While ongoing industry pressures around housing supply and affordability continue to impact the market, the Group remained focused on strengthening its foundations and positioning the business to deliver sustainable shareholder value over the medium to long term.

Across our 76-year history, our people have always been at the heart of delivering on our purpose of helping Australians fulfil their dream of owning a quality affordable home. Importantly, FY25 saw significant progress in our people capability with the Group rounding out our Executive Leadership Team by successfully targeting and securing best in class leadership for our chosen channels to market.

Further to this, on the resignation of Mr David McKeown as Chief Executive Officer, the Board made the decision to remove the split in accountabilities between the Executive Chair role and the Chief Executive Officer role. In April 2025, Mr Rhett Simonds stepped back into the role of Chief Executive Officer in addition to his responsibilities as Executive Chair. This leadership adjustment ensures consistency and clarity of direction as the business continues to execute its growth agenda.

To ensure we are best placed to take advantage of the above changes, FY25 also saw continued progress in strengthening our people and culture foundations. Notably, we introduced a refreshed Short- and Long-Term Incentive framework specifically targeted at aligning our team's behaviours and performance directly to shareholder value.

We also implemented a new Capability Framework and Performance Development Cycle to strengthen accountability and support workforce planning. A formal Crisis Succession Plan was developed for senior leaders and business-critical roles ensuring continuity of leadership and operational resilience.

These initiatives were complemented by the introduction of a structured Annual Salary Review framework and the successful completion of an Employee Engagement Survey, which returned a strong employee Net Promoter Score of +72. The launch of a modernised learning system and values-based peer recognition program further reinforced our commitment to building a high-performance, values-aligned culture.

The Board continues to consider the appropriate mix of skills and experience of our directors to ensure the Board is in the best position to guide the Company through its next phase, including the potential benefit of seeking another independent director to join the Board.

On behalf of the Board, I extend our sincere thanks to our people for their ongoing commitment and invite shareholders to consider our Remuneration Report which will be presented at the Annual General Meeting.



Piers O'Brien

**Chair, Nomination & Remuneration Committee**

## Introduction

This remuneration report, which forms part of the Directors' report, sets out information about the remuneration of Key Management Personnel (KMP) for the year ended 30 June 2025.

In addition to the Directors, the following executives are also KMP of the Group during or since the year ended 30 June 2025.

### Senior Executives

| Name                       | Position                       |
|----------------------------|--------------------------------|
| Rhett Simonds <sup>1</sup> | Chief Executive Officer        |
| Bertus Strydom             | Chief Financial Officer        |
| David McKeown <sup>2</sup> | Former Chief Executive Officer |

### Remuneration Policy Summary

Simonds Group Limited remuneration policy is designed to attract, retain, and motivate high calibre talent capable of driving sustainable business performance, delivering on strategic priorities and creating long-term value for shareholders.

Key guiding principles that support the remuneration policy include:

- **Market competitiveness:** Remuneration is set with reference to external market benchmarks, internal job value, and individual capability and performance.
- **Performance alignment:** A balanced mix of fixed and variable remuneration ensures executive rewards are linked to both individual contribution and Group performance.
- **Strategic enablement:** The framework is designed to support talent attraction, development and retention aligned to current and future business needs.
- **Simplicity and scalability:** Remuneration structures are scalable and adaptable across business units and growth phases.
- **Values reinforcement:** The policy supports and reinforces our culture of accountability, safety, and care for our customers and people.
- **Ongoing review:** The remuneration framework is reviewed regularly to ensure relevance, fairness, and alignment with evolving business and shareholder expectations.

### Executive Remuneration Principles and Strategy

Simonds Group's approach to executive remuneration is anchored in performance alignment, market competitiveness, and strategic accountability. A core principle of the framework is that executive remuneration should clearly reflect both Group performance and shareholder outcomes.

To support this, a significant portion of executive reward is delivered through variable, performance-linked components—both short- and long-term—that are contingent on the achievement of defined business results and individual contribution.

Executive remuneration is structured based on the following considerations:

- Alignment with the Group's purpose, strategy, and performance expectations.
- External market benchmarking, with reference to remuneration levels and practices among similarly sized ASX-listed organisations, particularly within the residential construction and adjacent sectors.
- The scale, complexity and criticality of the individual's role and portfolio.
- Delivery against both financial and non-financial performance expectations, including leadership, culture, and risk management.

This framework supports a consistent approach to executive reward—driving behaviours that are commercially focused and aligned to long-term value creation.

<sup>1</sup> On 11 April 2025, SIO announced that Mr Rhett Simonds has been appointed the Group CEO and will retain his role as Executive Chair.

<sup>2</sup> On 11 April 2025, Mr. David McKeown resigned as the Group's Chief Executive Officer.

### ***The Nomination & Remuneration Committee (the Committee)***

The Nomination & Remuneration Committee (the Committee) plays a critical role in ensuring that Simonds Group's remuneration practices are fair, fit-for-purpose, and aligned to the organisation's strategic objectives and shareholder expectations.

The Committee provides oversight and advice to the Board on:

- Executive and KMP remuneration outcomes.
- Group-wide remuneration policy and processes.
- Succession planning for key leadership roles.
- Performance and incentive structures across the organisation.

The Committee ensures that remuneration frameworks support Simonds' broader business imperatives in key areas like capability development, leadership accountability, and performance delivery.

To support its responsibilities, the Committee engages independent advisors from time to time to provide market insights, conduct benchmarking, and offer guidance on remuneration design and governance.

In FY25, this included Guerdon Associates, a specialist firm in executive remuneration and board effectiveness, engaged to advise on market-aligned incentive structures and best-practice design.

The Group also subscribes to independent remuneration and market data sources including industry-specific reports by AON and Mercer to inform remuneration benchmarking and design decisions.

To ensure the integrity of all decisions, no individual is present during any discussions relating to their own remuneration arrangements. Further details of the Committee's role and governance responsibilities are available in the Corporate Governance Statement at [www.simondsgroup.com.au](http://www.simondsgroup.com.au).

### ***Non-Executive Director Remuneration***

During the year ended 30 June 2025, fees paid to non-executive Directors totalled \$445,941 (inclusive of superannuation). On 11 April 2025, Andrew Bloore was appointed as Deputy Chair of the Board, and stepped down as Chair of the Nomination & Remuneration Committee. On the same date, Piers O'Brien was appointed as Chair of the Nomination & Remuneration Committee. The fees paid to both directors were increased to reflect their changed roles. There were no other increases in fees paid to non-executive directors in FY25.

Non-executive Directors are not appointed for a specific term and their appointment may end by notice from the individual Director or otherwise pursuant to section 203B or 203D of the *Corporations Act 2001* and the Company's constitution.

The maximum annual aggregate for fees paid to Non-Executive Directors is \$750,000. This limit was approved at the Annual General Meeting of Simonds Group Limited held on 2 October 2014.

### ***KMP Remuneration Framework***

The remuneration framework for Key Management Personnel (KMP) is designed to drive alignment between executive performance, business outcomes, and shareholder value creation. It comprises three integrated components:

- **Total Fixed Remuneration (TFR):**  
A guaranteed annual package that includes base salary, statutory superannuation, and any role-related allowances. TFR is set with reference to market benchmarks, internal relativities, and the scope and complexity of each executive's role.
- **Short-Term Incentive (STI):**  
A variable, performance-linked component designed to reward annual contribution against clearly defined financial, strategic, and individual objectives.
- **Long-Term Incentive (LTI):**  
A deferred, at-risk reward component designed to drive sustained performance and retention. LTI is delivered in the form of performance rights, options, or cash-based equivalents, with vesting contingent on multi-year performance hurdles and continued service.

This framework supports a high-performance culture by reinforcing accountability, incentivising strategic delivery, and ensuring that remuneration outcomes reflect both short-term execution and long-term value creation.

### **Executive Remuneration Components**

#### TFR overview

TFR represents the fixed component of executive remuneration and includes base salary, superannuation, and applicable allowances. TFR levels are benchmarked against the market median (50th percentile), with reference to remuneration practices across comparable ASX-listed organisations of similar size and industry focus.

While external benchmarks are reviewed periodically to ensure competitiveness, adjustments to TFR are not automatic and remain at the discretion of the Board, based on performance, market movement, and role scope.

#### STI overview

The STI is a performance-based component designed to reward the achievement of annual financial, operational, and strategic objectives. STI outcomes are subject to the attainment of threshold performance targets and Board approval.

As at the date of this report, no STI payments have been approved or made in respect of the FY25 performance year.

Note: A portion of outstanding STI payments relating to the FY24 performance year was paid to eligible Key Management Personnel and executives during FY25. These payments were aligned to the prior year's performance outcomes and do not form part of the FY25 STI program.

#### LTI overview

The Group's LTI framework is designed to align executive reward with long-term business performance and sustainable shareholder value creation.

LTI awards are made in the form of performance rights, options, or cash equivalents, with vesting contingent on the achievement of challenging, pre-determined financial and non-financial performance hurdles over a multi-year period. A continued service condition also applies. The Board retains discretion over vesting outcomes and delivery method (shares or cash).

LTI arrangements aim to:

- Drive sustained leadership focus on strategic outcomes;
- Reinforce long-term alignment with shareholder interests; and
- Support retention of high-performing executives.

The following LTI grants were issued during FY25 and are detailed in the tables that follow:

### **Long term Incentive Key Features**

| <b>Award Structure</b>                          | <b>FY2025 Performance Rights</b>                                                                                                                                                                                                                                   |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Consideration for the Performance Rights</b> | The Performance Rights will be granted for nil consideration.                                                                                                                                                                                                      |
| <b>Grant Date</b>                               | <i>18 December 2024</i>                                                                                                                                                                                                                                            |
| <b>Expiry Date</b>                              | <i>15<sup>th</sup> Anniversary of the Grant Date</i>                                                                                                                                                                                                               |
| <b>Vesting Date</b>                             | <i>30 June 2027</i>                                                                                                                                                                                                                                                |
| <b>Performance Measure</b>                      | <p>Vesting of Performance Rights is dependent on one discrete performance measure (hurdle):</p> <p><i>FY2027 Adjusted EBITDA per share</i></p> <p>The performance measure is to achieve an EBITDA per share target for the financial year ending 30 June 2027.</p> |

| Award Structure           | FY2025 Performance Rights                                                                                                    |                                                     |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| EPS Vesting Schedule      | <i>FY2027 Adjusted EBITDA<sup>1</sup> per share</i>                                                                          | <i>Percentage of Performance Rights to vest:</i>    |
|                           | Below \$0.092                                                                                                                | None                                                |
|                           | At \$0.092                                                                                                                   | 50%                                                 |
|                           | Between \$0.092 and \$0.103                                                                                                  | Straight line pro-rata vesting between 50% and 100% |
|                           | At or above \$0.103                                                                                                          | 100%                                                |
| Service Vesting Condition | The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.                     |                                                     |
| Other conditions          | These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board. |                                                     |

| Award Structure                          | FY2024 Performance Rights                                                                                                                                                                                                                               |                                                     |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Consideration for the Performance Rights | The Performance Rights will be granted for nil consideration.                                                                                                                                                                                           |                                                     |
| Grant Date                               | 18 December 2024                                                                                                                                                                                                                                        |                                                     |
| Expiry Date                              | 15 <sup>th</sup> Anniversary of the Grant Date                                                                                                                                                                                                          |                                                     |
| Vesting Date                             | 30 June 2026                                                                                                                                                                                                                                            |                                                     |
| Performance Measure                      | Vesting of Performance Rights is dependent on one discrete performance measure (hurdle):<br><br><i>FY2026 Adjusted EBITDA per share</i><br>The performance measure is to achieve an EBITDA per share target for the financial year ending 30 June 2026. |                                                     |
| EPS Vesting Schedule                     | <i>FY2026 Adjusted EBITDA<sup>2</sup> per share</i>                                                                                                                                                                                                     | <i>Percentage of Performance Rights to vest:</i>    |
|                                          | Below \$0.062                                                                                                                                                                                                                                           | None                                                |
|                                          | At \$0.062                                                                                                                                                                                                                                              | 50%                                                 |
|                                          | Between \$0.062 and \$0.069                                                                                                                                                                                                                             | Straight line pro-rata vesting between 50% and 100% |
|                                          | At or above \$0.069                                                                                                                                                                                                                                     | 100%                                                |
| Service Vesting Condition                | The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.                                                                                                                                                |                                                     |
| Other conditions                         | These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.                                                                                                                            |                                                     |

The following tables provide details of performance rights allocated to KMP pursuant to the LTI Plan.

**Number of cash settled performance rights granted, vested, and expired/forfeited**

| FY2025                 |                                |                            |                           |                                        |          |                      |
|------------------------|--------------------------------|----------------------------|---------------------------|----------------------------------------|----------|----------------------|
| Name                   | Performance Rights 1 July 2024 | Performance Rights Granted | Performance Rights Vested | Performance Rights Expired / Forfeited | Other    | Balance 30 June 2025 |
| B Strydom              | -                              | 915,248                    | -                         | -                                      | -        | 915,248              |
| D McKeown <sup>3</sup> | -                              | 2,265,239                  | -                         | (2,265,239)                            | -        | -                    |
| <b>TOTAL</b>           | <b>-</b>                       | <b>3,180,487</b>           | <b>-</b>                  | <b>(2,265,239)</b>                     | <b>-</b> | <b>915,248</b>       |

<sup>1</sup> When assessing Adjusted EBITDA outcomes, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period.

<sup>2</sup> When assessing Adjusted EBITDA outcomes, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period.

<sup>3</sup> On 11 April 2025, Mr. David McKeown resigned as the Group's Chief Executive Officer.

## Remuneration Structure and Performance/Shareholder Wealth Creation

The Group's annual financial performance and indicators of shareholder wealth are summarised below.

| Financial Performance              | FY2025                        | FY2024                        | FY2023                        | FY2022           | FY2021 <sup>4</sup> |
|------------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------|---------------------|
|                                    | Statutory Actual <sup>2</sup> | Statutory Actual <sup>2</sup> | Statutory Actual <sup>2</sup> | Statutory Actual | Statutory Actual    |
|                                    | \$m                           | \$m                           | \$m                           | \$m              | \$m                 |
| Revenue                            | 665.6                         | 663.5                         | 722.4                         | 687.5            | 661.6               |
| EBITDA                             | 24.0 <sup>1</sup>             | 23.3                          | (11.4)                        | 3.7              | 27.5                |
| NPAT                               | 1.0                           | 4.0                           | (23.3)                        | (9.7)            | 4.7                 |
| Share Price at end of period (\$)  | 0.15                          | 0.16                          | 0.16                          | 0.20             | 0.60                |
| Dividends (cents per share)        | -                             | -                             | -                             | -                | -                   |
| EPS (cents per share) <sup>3</sup> | 0.39                          | 0.84                          | (9.18)                        | (8.33)           | 2.59                |

<sup>1</sup> Statutory EBITDA is net profit after tax from continuing operations \$1.399m before financing items \$2.334m, tax expense \$0.600m, and depreciation and amortisation \$19.706m.

<sup>2</sup> The Madisson business was discontinued on 21 January 2016 and is classified as a discontinued operation after this date. As the Madisson business is a discontinued operation it is not reflected in the results presented above for FY2017-2022. The Group's wholly owned subsidiary, Builders Academy Australia was disposed 30 November 2021. BAA was classified as a discontinued operation for current financial year with comparative information re-presented.

<sup>3</sup> EPS is based on Earnings for continuing operations only.

<sup>4</sup> Comparative figures have been re-presented to classify discontinued operations consistently with current year disclosure.

## Remuneration Tables – Details of KMP Remuneration

Details of the remuneration of KMP, including directors of the Group are set out in the following tables.

| FY2025                                            | Short Term Employee Benefits |                            |                            |                             |                    | Termination Benefits       | Post-employment benefits | Long-term benefits       | Share-based Payments (SBP)         |                  | Percentage of remuneration fixed and at risk |              |
|---------------------------------------------------|------------------------------|----------------------------|----------------------------|-----------------------------|--------------------|----------------------------|--------------------------|--------------------------|------------------------------------|------------------|----------------------------------------------|--------------|
|                                                   | Directors Fees<br>\$         | Cash Salary and Fees<br>\$ | Short Term Incentive<br>\$ | Non-monetary benefits<br>\$ | Annual Leave<br>\$ | Termination Payments<br>\$ | Super<br>\$              | Long Service Leave<br>\$ | Performance Rights / Options<br>\$ | Total<br>\$      | Fixed<br>%                                   | At Risk<br>% |
| <b>Current and former Non-Executive Directors</b> |                              |                            |                            |                             |                    |                            |                          |                          |                                    |                  |                                              |              |
| R Grellman                                        | 120,000                      | -                          | -                          | -                           | -                  | -                          | 13,800                   | -                        | -                                  | 133,800          | 100%                                         | 0%           |
| P O'Brien                                         | 91,702                       | -                          | -                          | -                           | -                  | -                          | 10,546                   | -                        | -                                  | 102,248          | 100%                                         | 0%           |
| A Bloore                                          | 120,173                      | -                          | -                          | -                           | -                  | -                          | 13,820                   | -                        | -                                  | 133,993          | 100%                                         | 0%           |
| D Denny <sup>1</sup>                              | 68,072                       | -                          | -                          | -                           | -                  | -                          | 7,828                    | -                        | -                                  | 75,900           | 100%                                         | 0%           |
| <b>Total</b>                                      | <b>399,947</b>               | <b>-</b>                   | <b>-</b>                   | <b>-</b>                    | <b>-</b>           | <b>-</b>                   | <b>45,994</b>            | <b>-</b>                 | <b>-</b>                           | <b>445,941</b>   |                                              |              |
| <b>Current Executive Directors</b>                |                              |                            |                            |                             |                    |                            |                          |                          |                                    |                  |                                              |              |
| R Simonds <sup>2</sup>                            | 55,128                       | 718,904                    | 180,000                    | 20,270                      | 46,501             | -                          | 29,932                   | 16,440                   | -                                  | 1,067,175        | 83%                                          | 17%          |
| M Simonds <sup>3</sup>                            | 120,458                      | -                          | -                          | 14,264                      | 33,123             | -                          | 13,853                   | 23,835                   | -                                  | 205,533          | 100%                                         | 0%           |
| <b>Total</b>                                      | <b>175,586</b>               | <b>718,904</b>             | <b>180,000</b>             | <b>34,534</b>               | <b>79,624</b>      | <b>-</b>                   | <b>43,785</b>            | <b>40,275</b>            | <b>-</b>                           | <b>1,272,708</b> |                                              |              |
| <b>Current and former Senior Executives</b>       |                              |                            |                            |                             |                    |                            |                          |                          |                                    |                  |                                              |              |
| D McKeown <sup>4</sup>                            | -                            | 454,830                    | 118,800                    | 8,187                       | -                  | 314,862                    | 29,932                   | -                        | -                                  | 926,611          | 87%                                          | 13%          |
| B Strydom                                         | -                            | 370,068                    | 72,000                     | 10,534                      | 30,526             | -                          | 29,932                   | 8,559                    | 3,657                              | 525,276          | 86%                                          | 14%          |
| <b>Total</b>                                      | <b>-</b>                     | <b>824,898</b>             | <b>190,800</b>             | <b>18,721</b>               | <b>30,526</b>      | <b>314,862</b>             | <b>59,864</b>            | <b>8,559</b>             | <b>3,657</b>                       | <b>1,451,887</b> |                                              |              |
| <b>TOTAL KMP</b>                                  | <b>575,533</b>               | <b>1,543,802</b>           | <b>370,800</b>             | <b>53,255</b>               | <b>110,150</b>     | <b>314,862</b>             | <b>149,643</b>           | <b>48,834</b>            | <b>3,657</b>                       | <b>3,170,536</b> |                                              |              |

<sup>1</sup> On 11 April 2025, Mr David Denny resigned as director of Simonds.

<sup>2</sup> On 11 April 2025, SIO announced that Mr Rhett Simonds was appointed the Group CEO and will retain his role as Executive Chair.

<sup>3</sup> On 11 April 2025, Mr Mark Simonds was appointed as Executive Director – Design, Procurement and Construction.

<sup>4</sup> On 11 April 2025, Mr. David McKeown resigned as the Group's Chief Executive Officer.

| FY2024                                 | Short Term Employee Benefits |                            |                            |                             |                    | Termination Benefits       | Post-employment benefits | Long-term benefits       | Share-based Payments (SBP)         |                  | Percentage of remuneration fixed and at risk |              |
|----------------------------------------|------------------------------|----------------------------|----------------------------|-----------------------------|--------------------|----------------------------|--------------------------|--------------------------|------------------------------------|------------------|----------------------------------------------|--------------|
|                                        | Directors Fees<br>\$         | Cash Salary and Fees<br>\$ | Short Term Incentive<br>\$ | Non-monetary benefits<br>\$ | Annual Leave<br>\$ | Termination Payments<br>\$ | Super<br>\$              | Long Service Leave<br>\$ | Performance Rights / Options<br>\$ | Total<br>\$      | Fixed<br>%                                   | At Risk<br>% |
| <b>Current Non-Executive Directors</b> |                              |                            |                            |                             |                    |                            |                          |                          |                                    |                  |                                              |              |
| R Grellman                             | 120,000                      | -                          | -                          | -                           | -                  | -                          | 13,200                   | -                        | -                                  | 133,200          | 100%                                         | 0%           |
| P O'Brien                              | 93,915                       | -                          | -                          | -                           | -                  | -                          | 2,386                    | -                        | -                                  | 96,301           | 100%                                         | 0%           |
| A Bloore                               | 109,589                      | -                          | -                          | -                           | -                  | -                          | 12,055                   | -                        | -                                  | 121,644          | 100%                                         | 0%           |
| D Denny                                | 86,758                       | -                          | -                          | -                           | -                  | -                          | 9,543                    | -                        | -                                  | 96,301           | 100%                                         | 0%           |
| <b>Total</b>                           | <b>410,262</b>               | <b>-</b>                   | <b>-</b>                   | <b>-</b>                    | <b>-</b>           | <b>-</b>                   | <b>37,184</b>            | <b>-</b>                 | <b>-</b>                           | <b>447,446</b>   |                                              |              |
| <b>Current Executive Directors</b>     |                              |                            |                            |                             |                    |                            |                          |                          |                                    |                  |                                              |              |
| R Simonds <sup>1</sup>                 | -                            | 750,207                    | -                          | 16,126                      | 39,740             | -                          | 27,399                   | 19,285                   | -                                  | 852,757          | 100%                                         | 0%           |
| M Simonds                              | 91,234                       | -                          | -                          | 4,028                       | 7,066              | -                          | 10,046                   | 2,864                    | -                                  | 115,328          | 100%                                         | 0%           |
| <b>Total</b>                           | <b>91,234</b>                | <b>750,207</b>             | <b>-</b>                   | <b>20,154</b>               | <b>46,806</b>      | <b>-</b>                   | <b>37,445</b>            | <b>22,149</b>            | <b>-</b>                           | <b>968,085</b>   |                                              |              |
| <b>Current Senior Executives</b>       |                              |                            |                            |                             |                    |                            |                          |                          |                                    |                  |                                              |              |
| D McKeown <sup>2</sup>                 | -                            | 546,310                    | -                          | 10,133                      | 31,005             | -                          | 27,399                   | 1,246                    | -                                  | 616,093          | 100%                                         | 0%           |
| B Strydom <sup>3</sup>                 | -                            | 239,545                    | -                          | 6,777                       | 15,444             | -                          | 17,760                   | 2,837                    | -                                  | 282,363          | 100%                                         | 0%           |
| <b>Total</b>                           | <b>-</b>                     | <b>785,855</b>             | <b>-</b>                   | <b>16,910</b>               | <b>46,449</b>      | <b>-</b>                   | <b>45,159</b>            | <b>4,083</b>             | <b>-</b>                           | <b>898,456</b>   |                                              |              |
| <b>TOTAL KMP</b>                       | <b>501,496</b>               | <b>1,536,062</b>           | <b>-</b>                   | <b>37,064</b>               | <b>93,255</b>      | <b>-</b>                   | <b>119,788</b>           | <b>26,232</b>            | <b>-</b>                           | <b>2,313,897</b> |                                              |              |

<sup>1</sup> On 3 November 2023, Simonds announced that Mr Rhett Simonds will serve solely as Executive Chair.

<sup>2</sup> On 3 November 2023, Simonds announced the appointment of Mr. David McKeown as the Group's Chief Executive Officer.

<sup>3</sup> On 3 November 2023, Mr. Bertus Strydom was appointed as the Group's Chief Financial Officer. He served as Executive General Manager of Finance before appointment to the role.

### Executive Service Agreements

| Name      | Contract Length | Minimum Notice Period    |                        |
|-----------|-----------------|--------------------------|------------------------|
|           |                 | Termination by Executive | Termination by Company |
| R Simonds | No fixed term   | 6 months                 | 6 months               |
| M Simonds | No fixed term   | 3 months                 | 3 months               |
| B Strydom | No fixed term   | 6 months                 | 6 months               |

### STI Payments to KMP

As at the date of this report, no STIs have been paid to KMP in respect of FY25.

### KMP Shareholdings

Shareholdings of KMP are set out below:

| FY2025                               | Number of shares |          |          |                 |
|--------------------------------------|------------------|----------|----------|-----------------|
| Name                                 | Opening balance  | Acquired | Other    | Closing balance |
| <b>Non-executive Directors</b>       |                  |          |          |                 |
| A Bloore                             | 848,683          | -        | -        | 848,683         |
| <b>Total Non-Executive Directors</b> | <b>848,683</b>   | <b>-</b> | <b>-</b> | <b>848,683</b>  |
| <b>Executive Directors</b>           |                  |          |          |                 |
| R Simonds                            | 14,044           | -        | -        | 14,044          |
| M Simonds                            | 56,741           | -        | -        | 56,741          |
| <b>Total Executive Directors</b>     | <b>70,785</b>    | <b>-</b> | <b>-</b> | <b>70,785</b>   |
| <b>TOTAL KMP</b>                     | <b>919,468</b>   | <b>-</b> | <b>-</b> | <b>919,468</b>  |

| FY2024                               | Number of shares |                |          |                  |
|--------------------------------------|------------------|----------------|----------|------------------|
| Name                                 | Opening balance  | Acquired       | Other    | Closing balance  |
| <b>Non-executive Directors</b>       |                  |                |          |                  |
| A Bloore                             | 848,683          | -              | -        | 848,683          |
| <b>Total Non-Executive Directors</b> | <b>848,683</b>   | <b>-</b>       | <b>-</b> | <b>848,683</b>   |
| <b>Executive Directors</b>           |                  |                |          |                  |
| R Simonds                            | 14,044           | -              | -        | 14,044           |
| M Simonds                            | 56,741           | -              | -        | 56,741           |
| <b>Total Executive Directors</b>     | <b>70,785</b>    | <b>-</b>       | <b>-</b> | <b>70,785</b>    |
| <b>Other KMPs</b>                    |                  |                |          |                  |
| D McKeown <sup>1</sup>               | -                | 290,113        | -        | 290,113          |
| <b>TOTAL KMP</b>                     | <b>919,468</b>   | <b>290,113</b> | <b>-</b> | <b>1,209,581</b> |

### Loans to Director

The Group has not provided any loans to directors or their related parties during the year ended 30 June 2025 (2024: Nil).

<sup>1</sup> On 11 April 2025, Mr. David McKeown has stepped down as the Group's Chief Executive Officer.

### Other KMP Transactions

During the year, group entities entered into the following transactions with related parties which are not members of the Group.

Profit for the year includes the following items of revenue and expense that resulted from transactions, other than compensation, loans or equity holdings, with KMP or their related entities:

|                                                    | Sales of goods        |                       | Cost of goods         |                       | Leases and services rendered |                       | Non-cash remuneration |                       |
|----------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|-----------------------|
|                                                    | 30 June<br>2025<br>\$ | 30 June<br>2024<br>\$ | 30 June<br>2025<br>\$ | 30 June<br>2024<br>\$ | 30 June<br>2025<br>\$        | 30 June<br>2024<br>\$ | 30 June<br>2025<br>\$ | 30 June<br>2024<br>\$ |
| <b>Vallence Gary Simonds and related entities:</b> |                       |                       |                       |                       |                              |                       |                       |                       |
| Properties leased on an arms-length basis          | -                     | -                     | -                     | -                     | 273,000                      | 273,000               | -                     | -                     |
| Advisory fee paid during the year                  | -                     | -                     | -                     | -                     | 101,827                      | 101,370               | -                     | -                     |
| Remuneration for employee services                 | -                     | -                     | -                     | -                     | 85,151                       | 85,845                | -                     | -                     |
| Car park provided                                  | -                     | -                     | -                     | -                     | -                            | -                     | 21,069                | 20,266                |
|                                                    | -                     | -                     | -                     | -                     | <b>459,978</b>               | <b>460,215</b>        | <b>21,069</b>         | <b>20,266</b>         |
| <b>Simonds Family Office Pty Ltd<sup>1</sup></b>   |                       |                       |                       |                       |                              |                       |                       |                       |
| Sponsorships                                       | -                     | -                     | -                     | 98,486                | -                            | -                     | -                     | -                     |
| Properties and car park provided                   | -                     | -                     | -                     | -                     | 33,115                       | 123,327               | -                     | -                     |
| Construction contracts                             | 3,561,576             | 627,828               | 2,828,451             | 487,582               | -                            | -                     | -                     | -                     |
| Consulting services                                | -                     | -                     | -                     | -                     | 271,671                      | 227,204               | -                     | -                     |
|                                                    | <b>3,561,576</b>      | <b>627,828</b>        | <b>2,828,451</b>      | <b>586,068</b>        | <b>304,786</b>               | <b>350,531</b>        | -                     | -                     |
| <b>Mark Simonds and related entities:</b>          |                       |                       |                       |                       |                              |                       |                       |                       |
| Payment for use of building licence                | -                     | -                     | -                     | -                     | 393,939                      | 363,636               | -                     | -                     |
| Remuneration for employee services                 | -                     | -                     | -                     | -                     | 79,047                       | 77,858                | 9,294                 | 3,509                 |
|                                                    | -                     | -                     | -                     | -                     | <b>472,986</b>               | <b>441,494</b>        | <b>9,294</b>          | <b>3,509</b>          |
| <b>Total</b>                                       | <b>3,561,576</b>      | <b>627,828</b>        | <b>2,828,451</b>      | <b>586,068</b>        | <b>1,237,750</b>             | <b>1,252,240</b>      | <b>30,363</b>         | <b>23,775</b>         |

At 30 June 2025, \$886,029 (2024: \$227,360) was outstanding by Simonds Family Office Pty Ltd for constructions builds. \$8,797 (2024: \$22,215) was payable from the Group to Vallence Gary Simonds and related entities and Simonds Family Office Pty Ltd for property leased and car parking lease.

<sup>1</sup> Mark Simonds and Rhett Simonds are directors of Simonds Family Office Pty Ltd.

## **Auditor's independence declaration**

The auditor's independence declaration is included after this report on page 22.

## **Rounding of amounts**

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

This Directors' report is signed in accordance with a resolution of directors pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Rhett Simonds', with a stylized, sweeping flourish extending from the bottom right.

Rhett Simonds

Chief Executive Officer (CEO) and Executive Chair

Melbourne, 18 August 2025



PKF Melbourne Audit & Assurance Pty Ltd  
ABN 75 600 749 184  
Level 15, 500 Bourke Street  
Melbourne, Victoria 3000

T: +61 3 9679 2222  
F: +61 3 9679 2288  
info@pkf.com.au  
pkf.com.au

#### AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SIMONDS GROUP LIMITED

In relation to our audit of the financial report of Simonds Group Limited for year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is made in respect of Simonds Group Limited and the entities it controlled during the year.

A stylized, handwritten signature in black ink that reads 'PKF'.

PKF  
Melbourne, 18 August 2025

A handwritten signature in black ink that reads 'Kenneth Weldin'.

Kenneth Weldin  
Partner



PKF Melbourne Audit & Assurance Pty Ltd  
ABN 75 600 749 184  
Level 15, 500 Bourke Street  
Melbourne, Victoria 3000

T: +61 3 9679 2222  
F: +61 3 9679 2288  
info@pkf.com.au  
pkf.com.au

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMONDS GROUP LIMITED

### Report on the Financial Report

#### Auditor's Opinion

We have audited the accompanying financial report of Simonds Group Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors' Declaration of the Company and the consolidated entity (the Group) comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report of the Company 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 ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Key Audit Matters

A Key Audit Matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

| <i>Key audit matter</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <i>How our audit addressed this matter</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>Revenue recognition and work in progress on construction contracts</u></b></p> <p>At 30 June 2025 the Group's revenue amounted to \$665.6m (FY24: \$663.5m).</p> <p>In addition, there were associated contract-related liabilities and assets which unwind from the balance sheet as the Group satisfies related contracted performance obligations.</p> <ul style="list-style-type: none"> <li>• Accrued revenue: \$38.7m (2024: \$55.8m)</li> <li>• Deferred Revenue: \$15.9m (2024: \$11.3m)</li> </ul> <p>Revenue from construction contracts is recognised based on the satisfaction of performance obligations. There is judgement applied by the Group in determining construction revenue with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.</p> <p>As disclosed in Note 4, significant management estimation is required in assessing the percentage of completion of construction contracts.</p> <p>The recognition of revenue and the related accounting for contract costs involves estimation and judgement and impacts the measurement of significant assets and liabilities. As such we have identified this as a Key Audit Matter.</p> | <p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Reviewing and validating Management's revenue recognition policy and assessing the principles, judgements and estimates outlined therein to AASB 15 and customer contracts.</li> <li>• Conducting a walkthrough of controls in operation across the Group and evaluating of their design and implementation.</li> <li>• Testing the operating effectiveness of these controls in place with respect to the revenue recognition process and associated contract asset and contract cost balances.</li> <li>• Performing analytical reviews to understand the movements in revenue relative to performance in previous years and budget expectations.</li> <li>• Testing the integrity of the work in progress reconciliation and monthly reports to the corresponding revenue and costs of goods sold recognised in the statement of profit or loss.</li> <li>• Recalculating revenue recognised based on the stage of completion for a sample of jobs across each revenue segment.</li> <li>• Performing an impairment assessment over recognised work in progress balances, with a particular focus on any jobs with a forecast or actual negative margin.</li> <li>• Reviewing the appropriateness of the presentation and disclosure of revenue related balances within the financial statements.</li> </ul> |

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How our audit addressed this matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>Accounting for business combinations</u></b></p> <p>As described in Note 35, during the year the Group completed the acquisition of 100% of the share capital of Dennis Family Homes Pty Ltd (DF Homes).</p> <p>The total consideration for the DF Homes acquisition is \$11m, comprising the following payment structure:</p> <ul style="list-style-type: none"> <li>• \$1m in cash payable on completion</li> <li>• \$10m in contingent consideration payable for acquired jobs that were either not yet started or in progress at the time of acquisition and are subsequently completed post-acquisition.</li> </ul> <p>Under AASB 3 Business Combinations, the Group is to apply fair value accounting for all aspects of the acquisition, whereby the difference between the fair value of consideration and the fair value of identifiable assets acquired (including identifiable intangibles), net of the fair value of liabilities assumed, is treated as goodwill.</p> <p>We considered accounting for business combinations to be a Key Audit Matter due to the significant judgements applied in the accounting for the fair value of the consideration and the fair value of the identifiable assets acquired in accordance with Australian Accounting Standards.</p> | <p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the Group's accounting against the requirements of AASB 3, key transaction agreements, our understanding of the business acquired and its industry and selected minutes of the Directors' meetings.</li> <li>• Assessing the methodology applied to recognise the acquired fair value of identifiable assets and liabilities on acquisition date.</li> <li>• Validating inputs of the components of the business combinations to underlying support including settlement contracts.</li> <li>• Assessing determination of the point in time that control was gained for the acquiree.</li> <li>• Assessing the provisional allocation of the purchase price for the entity acquired to the identifiable assets acquired – including any intangibles other than goodwill – and liabilities assumed.</li> <li>• Reviewing the accounting entries associated with the business combination.</li> <li>• Reviewed the related financial statement disclosures for the acquisition for consistency with the relevant financial reporting standards.</li> </ul> |



## **Other Information**

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

Our opinion on the financial report does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

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

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

## **Responsibilities of Directors for the Financial Report**

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

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 ; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of:
  - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
  - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue the 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



### **Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)**

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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



### **Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)**

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

### **Report on the Remuneration Report**

#### **Auditor's Opinion**

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 the Company 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 stylized, handwritten signature of the letters 'PKF' in black ink.

PKF  
Melbourne, 18 August 2025

A handwritten signature in black ink that reads 'K. Weldin'.

Kenneth Weldin  
Partner

## Directors' declaration

The directors declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards;
- c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position and performance of the Group;
- d) in the directors' opinion, the consolidated entity disclosure statement is true and correct; and
- e) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed, guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 3 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Rhett Simonds', with a large, stylized flourish extending from the end of the signature.

Rhett Simonds

Chief Executive Officer (CEO) and Executive Chair

Melbourne, 18 August 2025

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

|                                                                     | Notes    | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|---------------------------------------------------------------------|----------|---------------------------|---------------------------|
| <b>Continuing operations</b>                                        |          |                           |                           |
| Revenue                                                             | 4        | 665,637                   | 663,480                   |
| Cost of sales                                                       |          | (517,430)                 | (525,070)                 |
| <b>Gross profit</b>                                                 |          | <b>148,207</b>            | <b>138,410</b>            |
| Expenses                                                            | 9        | (124,167)                 | (115,125)                 |
| <b>Profit before financing items, depreciation and amortisation</b> |          | <b>24,040</b>             | <b>23,285</b>             |
| Depreciation and amortisation charges                               | 15,16,34 | (19,706)                  | (16,672)                  |
| <b>Profit before financing items and tax</b>                        |          | <b>4,334</b>              | <b>6,613</b>              |
| <b>Financing items</b>                                              |          |                           |                           |
| Interest income                                                     |          | 11                        | -                         |
| Interest expense                                                    | 6        | (2,346)                   | (2,208)                   |
| <b>Net financing cost</b>                                           |          | <b>(2,335)</b>            | <b>(2,208)</b>            |
| <b>Profit before tax</b>                                            |          | <b>1,999</b>              | <b>4,405</b>              |
| Income tax expense                                                  | 7        | (600)                     | (1,395)                   |
| <b>Profit from continuing operations after tax</b>                  |          | <b>1,399</b>              | <b>3,010</b>              |
| <b>Discontinued operations</b>                                      |          |                           |                           |
| (Loss) / profit from discontinued operations after tax              | 8        | (384)                     | 1,016                     |
| <b>Profit after tax for the year</b>                                |          | <b>1,015</b>              | <b>4,026</b>              |
| <b>Other comprehensive income, net of income tax</b>                |          |                           |                           |
| <b>Total comprehensive profit for the year</b>                      |          | <b>1,015</b>              | <b>4,026</b>              |
| <b>Earnings per share</b>                                           |          |                           |                           |
| From continuing operations                                          |          |                           |                           |
| Basic (cents per share)                                             | 10       | 0.39                      | 0.84                      |
| Diluted (cents per share)                                           | 10       | 0.39                      | 0.84                      |
| From continuing and discontinued operations                         |          |                           |                           |
| Basic (cents per share)                                             | 10       | 0.28                      | 1.12                      |
| Diluted (cents per share)                                           | 10       | 0.28                      | 1.12                      |

The accompanying notes form part of these financial statements.

## Consolidated statement of financial position

As at 30 June 2025

|                                      | Notes | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|--------------------------------------|-------|---------------------------|---------------------------|
| <b>Assets</b>                        |       |                           |                           |
| <i>Current Assets</i>                |       |                           |                           |
| Cash and cash equivalents            |       | 23,338                    | 1,647                     |
| Trade and other receivables          | 11    | 46,078                    | 54,156                    |
| Accrued revenue                      | 12    | 38,732                    | 55,751                    |
| Inventories                          | 13    | 21,208                    | 22,221                    |
| Other assets                         | 17    | 2,793                     | 2,466                     |
| <b>Total current assets</b>          |       | <b>132,149</b>            | <b>136,241</b>            |
| <i>Non-Current Assets</i>            |       |                           |                           |
| Property, plant and equipment        | 15    | 2,526                     | 2,556                     |
| Intangible assets                    | 16    | 20,712                    | 3,015                     |
| Right-of-use assets                  | 34    | 15,747                    | 14,459                    |
| Deferred tax assets                  | 7     | 37                        | 2,022                     |
| <b>Total non-current assets</b>      |       | <b>39,022</b>             | <b>22,052</b>             |
| <b>Total assets</b>                  |       | <b>171,171</b>            | <b>158,293</b>            |
| <b>Liabilities</b>                   |       |                           |                           |
| <i>Current Liabilities</i>           |       |                           |                           |
| Trade and other payables             | 18    | 83,337                    | 92,893                    |
| Deferred revenue                     | 19    | 15,855                    | 11,332                    |
| Borrowings                           | 20    | 754                       | 843                       |
| Lease liability                      | 34    | 11,595                    | 11,082                    |
| Provisions                           | 21    | 14,629                    | 11,856                    |
| Contingent consideration             | 35    | 7,630                     | -                         |
| <b>Total current liabilities</b>     |       | <b>133,800</b>            | <b>128,006</b>            |
| <i>Non-Current Liabilities</i>       |       |                           |                           |
| Lease liability                      | 34    | 5,241                     | 4,455                     |
| Provisions                           | 21    | 10,693                    | 7,325                     |
| Contingent consideration             | 35    | 1,900                     | -                         |
| <b>Total non-current liabilities</b> |       | <b>17,834</b>             | <b>11,780</b>             |
| <b>Total liabilities</b>             |       | <b>151,634</b>            | <b>139,786</b>            |
| <b>Net assets</b>                    |       | <b>19,537</b>             | <b>18,507</b>             |
| <b>Equity</b>                        |       |                           |                           |
| Issued capital                       | 22    | 37,867                    | 37,867                    |
| Reserves                             | 23    | 21,659                    | 21,644                    |
| Accumulated losses                   |       | (39,989)                  | (41,004)                  |
| <b>Total equity</b>                  |       | <b>19,537</b>             | <b>18,507</b>             |

The accompanying notes form part of these financial statements.

## Consolidated statement of changes in equity

For the year ended 30 June 2025

| Consolidated                   | Notes | Issued capital<br>\$'000 | Share based payments<br>reserve<br>\$'000 | Share buy-back reserve<br>\$'000 | Accumulated losses<br>\$'000 | Total<br>\$'000 |
|--------------------------------|-------|--------------------------|-------------------------------------------|----------------------------------|------------------------------|-----------------|
| <b>Balance at 1 July 2023</b>  |       | <b>37,867</b>            | <b>28,848</b>                             | <b>(7,204)</b>                   | <b>(45,030)</b>              | <b>14,481</b>   |
| Loss after tax for the year    |       | -                        | -                                         | -                                | 4,026                        | 4,026           |
| <b>Balance at 30 June 2024</b> |       | <b>37,867</b>            | <b>28,848</b>                             | <b>(7,204)</b>                   | <b>(41,004)</b>              | <b>18,507</b>   |
| <b>Balance at 1 July 2024</b>  |       | <b>37,867</b>            | <b>28,848</b>                             | <b>(7,204)</b>                   | <b>(41,004)</b>              | <b>18,507</b>   |
| Profit after tax for the year  |       | -                        | -                                         | -                                | 1,015                        | 1,015           |
| Employee Share plan expense    | 28    | -                        | 15                                        | -                                | -                            | 15              |
| <b>Balance at 30 June 2025</b> |       | <b>37,867</b>            | <b>28,863</b>                             | <b>(7,204)</b>                   | <b>(39,989)</b>              | <b>19,537</b>   |

The accompanying notes form part of these financial statements.

## Consolidated statement of cash flows

For the year ended 30 June 2025

|                                                             | Notes | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|-------------------------------------------------------------|-------|---------------------------|---------------------------|
| <b>Cash flows from operating activities</b>                 |       |                           |                           |
| Receipts from customers                                     |       | 786,763                   | 711,015                   |
| Payments to suppliers and employees                         |       | (745,064)                 | (706,209)                 |
| Cash generated from operations                              |       | 41,699                    | 4,806                     |
| Interest received                                           |       | 11                        | -                         |
| Finance costs                                               | 6     | (2,346)                   | (2,208)                   |
| Income taxes refund                                         |       | -                         | 52                        |
| <b>Net cash generated from operating activities</b>         | 31    | <b>39,364</b>             | <b>2,650</b>              |
| <b>Cash flows from investing activities</b>                 |       |                           |                           |
| Proceeds from disposal of property, plant and equipment     |       | 23                        | 60                        |
| Payments for property, plant and equipment                  | 15    | (1,902)                   | (920)                     |
| Payments for intangible assets                              | 16    | (1,553)                   | (2,415)                   |
| Net cashflow from acquisition of subsidiaries               | 35    | 2,049                     | -                         |
| <b>Net cash generated (used in) investing activities</b>    |       | <b>(1,383)</b>            | <b>(3,275)</b>            |
| <b>Cash flows from financing activities</b>                 |       |                           |                           |
| Net (payments)/proceeds of borrowings                       |       | (89)                      | 479                       |
| Repayment of lease principal                                |       | (16,201)                  | (13,309)                  |
| <b>Net cash (used in) financing activities</b>              |       | <b>(16,290)</b>           | <b>(12,830)</b>           |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |       | <b>21,691</b>             | <b>(13,455)</b>           |
| Cash and cash equivalents at the beginning of the year      |       | 1,647                     | 15,102                    |
| <b>Cash and cash equivalents at the end of the year</b>     |       | <b>23,338</b>             | <b>1,647</b>              |

The accompanying notes form part of these financial statements.

## Notes to the consolidated financial statements

### 1. General information

The Company is incorporated in Australia and is a for-profit entity.

The Company's registered office and principal place of business is as follows:

Level 4, 570 St Kilda Road  
MELBOURNE VIC 3004

These financial statements comprise the consolidated financial statements of the Company and the entities it controls (the "Group"). The Group's principal activities during the financial year were the design, sale and construction of residential dwellings.

### 2. Application of new and revised accounting standards

#### Amendments to AASBs and the new interpretation that are effective and adopted for the current year

There are no new standards effective in the current financial year that have a material effect on the financial statements of the Group.

#### Standards and interpretations in issue not yet adopted

##### *AASB 18 – Presentation and Disclosure in Financial Statements (effective 1 January 2027)*

There is no material impact on the Group as a result of the implementation of this standard.

At the date of signing these financial statements, the Directors have reviewed all Standards and Interpretations on issue but not yet effective and do not expect these Standards and Interpretations to have a material effect on the financial statements of the Group.

### 3. Material accounting policies

#### Statement of compliance

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

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). The financial statements were authorised for issue by the directors on 18 August 2025.

#### Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost except for contingent consideration which is measured at fair value.

All amounts are presented in Australian dollars, unless otherwise noted.

Comparatives have been reclassified where appropriate to ensure consistency and comparability with the current period.

## **Rounding of amounts**

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

## **Going concern**

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has achieved profit after tax of \$1.015m (2024: Profit \$4.026m) and positive operating cash flows of \$39.364m (2024: \$2.650m) for the year ended 30 June 2025. The investment in alternative channel capability and the acquisition of DFH support the forecasted future growth and profitability.

As at 30 June 2025, the Group had a positive net asset value position of \$19.537m (2024: \$18.507m) and cash balance of \$23.338m (2024: \$1.647m) measured by cash and cash equivalents. The Group's liquidity remains strong and there is sufficient headroom to support the forecasted working capital needs.

Recent interest rate reductions and increased customer activity indicate a return in confidence within the Victorian residential market. Land sales have started to improve, and industry bodies forecast a modest increase in near term starts supporting growth forecasted for the Group. The Group continues to build a pipeline of new sales in the alternative sales channels and further cost initiatives will generate synergies and improve productivity in the next 12 months.

Based on the available information to the Directors at the date of signing this financial report, the Directors are of the opinion that the Group will be able to pay its debts as and when they fall due and accordingly the Directors consider it appropriate for the financial report to be prepared on the going concern basis.

## **4. Revenue**

### **Accounting policy**

#### **Revenue recognition**

##### *Construction contracts*

Contracts entered into are for the construction of residential homes. The construction of each dwelling is taken to be one performance obligation. The transaction price is normally fixed at the start of the contracts. When a variation for the building works is required and agreed upon per the contract the variation will be included in the transaction price and accounted for accordingly. The performance obligation is recognised and fulfilled over time and as such revenue is recognised over time.

Revenue earned is referenced to the stage of completion of the contract activity, based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Our customers are invoiced on achievement of each key milestone in the build program. Invoices are paid on normal commercial terms. Deposit payments received prior to work being performed are recognised as deferred revenue on the balance sheet.

##### *Display homes*

Revenue in respect of the sale of display homes is recognised at a point in time when control is transferred to purchaser which is determined to be the property settlement date. Revenue is measured at the transaction price agreed under the contract.

##### *Variable consideration*

Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved (as this is the point in time when there can be reasonable assurance that there will not be significant reversal) known as "constraint" requirements. The Group assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The

estimate is based on all available information including historic performance. Where variations in design or requirements are entered into, the transaction price is updated to reflect these when the variation has been agreed.

#### Contract assets and liabilities

The Group has adopted the terms accrued revenue for 'contract assets' and deferred revenue for 'contract liabilities' as defined within AASB 15 'Revenue from Contracts with Customers'. Accrued revenue is the Group's right to payment for goods and services transferred to a customer where that right to payment is conditional on something other than passage of time. Deferred revenue is the Group's obligation to transfer goods or services to a customer at the earlier of (a) when the customer pays consideration or (b) the time that the customer's consideration is due for goods and services the Group will yet provide.

#### Contract fulfilment costs

Costs incurred prior to the commencement of construction of building may arise due to feasibility studies, environmental impact studies and preliminary design activities as these are costs incurred to fulfil a contract. Where these costs are expected to be recovered, they are capitalised and amortised over the course of the contract consistent with the transfer of service to the customer. Where the costs, or a portion of these costs, are reimbursed by the customer, the amount received is recognised as deferred revenue and allocated to the performance obligations within the contract and recognised as revenue over the course of the contract.

#### Incremental costs

Commissions payable to sales consultants in respect of contracts to build are recognised as an asset when expected to be recovered and released over the period of the build.

#### Financing components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

#### Other revenue

Revenue received in respect of the Group arranging a purchaser to acquire land from a land developer is recognised once all benefits of owning the land are transferred to the new owner.

The following is an analysis of the Group's revenue for the year.

|                                                 | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|-------------------------------------------------|---------------------------|---------------------------|
| <b>Continuing operations</b>                    |                           |                           |
| Revenue from residential construction contracts | 665,637                   | 663,480                   |
|                                                 | <b>665,637</b>            | <b>663,480</b>            |
| <b>Discontinued operations</b>                  | -                         | -                         |
|                                                 | <b>665,637</b>            | <b>663,480</b>            |

#### **Critical accounting judgement - percentage of completion on the construction contracts**

Percentage complete is based on the estimated cost to construct a building incurred to date, compared against the total estimated cost of completing that building. The total cost of that build is based on a historical average of similar builds. The amount of revenue recognised during the build is based on this percentage complete calculation. This historical average is reviewed annually to ensure that it is a materially accurate reflection of current build costs.

Estimate of construction contracts on a percentage completion basis, in particular with regard to accounting for variations of cost, the timing of profit recognition and the amount of profit recognised can often result in an adjustment to the reported revenues and expenses and/or the carrying amount of assets and liabilities.

## 5. Segment information

### Products and services from which reportable segments derive their revenue

Information on segment performance focuses on the types of products and services the Group provides.

No operating segments have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group's reportable segments are:

- *Residential construction* - this includes activities relating to contracts for residential home construction, speculative home building and the building of display home inventory.
- *Development* - this includes activities relating to land development and sales.
- *Discontinued operations*

Madisson Homes Australia Pty Ltd is a subsidiary of the Group and in the prior years formed part of the residential construction segment. Madisson Homes operated in the medium density market, building apartments and townhouses for commercial developers using the concepts, designs and specifications provided by the developers. Consistent with the prior reporting period, this business unit has been presented as a discontinued operation (refer note 8 for more information).

### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

|                                                                          | Segment revenue           |                           | Segment profit before tax |                           |
|--------------------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                                                          | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
| <b>Continuing operations</b>                                             |                           |                           |                           |                           |
| Residential construction                                                 | 665,637                   | 663,480                   | 1,999                     | 4,405                     |
| Land development                                                         | -                         | -                         | -                         | -                         |
|                                                                          | <b>665,637</b>            | <b>663,480</b>            | <b>1,999</b>              | <b>4,405</b>              |
| <b>Discontinued operations</b>                                           | -                         | -                         | (549)                     | 1,451                     |
| <b>Consolidated segment revenue and profit before tax for the period</b> | <b>665,637</b>            | <b>663,480</b>            | <b>1,450</b>              | <b>5,856</b>              |

### Segment assets and liabilities

#### Segment assets

|                             |                |                |
|-----------------------------|----------------|----------------|
| Residential construction    | 170,727        | 155,861        |
| Land development            | 1              | 1              |
|                             | <b>170,728</b> | <b>155,862</b> |
| Discontinued operations     | 406            | 408            |
| <b>Total segment assets</b> | <b>171,134</b> | <b>156,270</b> |
| Current tax receivable      | -              | -              |
| Deferred tax assets         | 37             | 2,023          |
| <b>Total assets</b>         | <b>171,171</b> | <b>158,293</b> |

#### Segment liabilities

|                                  |                |                |
|----------------------------------|----------------|----------------|
| Residential construction         | 151,101        | 138,829        |
| Land development                 | 12             | 12             |
|                                  | <b>151,113</b> | <b>138,841</b> |
| Discontinued Operations          | 521            | 945            |
| <b>Total segment liabilities</b> | <b>151,634</b> | <b>139,786</b> |
| <b>Total liabilities</b>         | <b>151,634</b> | <b>139,786</b> |

## Other segment information

|                                | Interest expense       |                        | Depreciation and amortisation |                        |
|--------------------------------|------------------------|------------------------|-------------------------------|------------------------|
|                                | 30 June 2025<br>\$'000 | 30 June 2024<br>\$'000 | 30 June 2025<br>\$'000        | 30 June 2024<br>\$'000 |
| <b>Continuing operations</b>   |                        |                        |                               |                        |
| Residential construction       | 2,346                  | 2,208                  | 19,706                        | 16,672                 |
| Land development               | -                      | -                      | -                             | -                      |
|                                | <u>2,346</u>           | <u>2,208</u>           | <u>19,706</u>                 | <u>16,672</u>          |
| <b>Discontinued operations</b> | -                      | -                      | -                             | -                      |
| <b>Total</b>                   | <u>2,346</u>           | <u>2,208</u>           | <u>19,706</u>                 | <u>16,672</u>          |

  

|                                | Additions to non-current assets |                        |
|--------------------------------|---------------------------------|------------------------|
|                                | 30 June 2025<br>\$'000          | 30 June 2024<br>\$'000 |
| <b>Continuing operations</b>   |                                 |                        |
| Residential construction       | 41,517                          | 11,127                 |
| Land development               | -                               | -                      |
|                                | <u>41,517</u>                   | <u>11,127</u>          |
| <b>Discontinued operations</b> | -                               | -                      |
|                                | <u>41,517</u>                   | <u>11,127</u>          |

## Revenue by Geographical region

The Group operates in one geographical area – Australia. The Group's revenue and profits are all generated from this region.

## Information about major customers

No single customer contributed 10% or more to the Group's revenue for the year ended 30 June 2025 and the year ended 30 June 2024.

## 6. Finance costs

|                                               |                |                |
|-----------------------------------------------|----------------|----------------|
| Interest received                             | 11             | -              |
| Interest on bank overdrafts, loans and leases | (2,346)        | (2,208)        |
|                                               | <u>(2,335)</u> | <u>(2,208)</u> |

## 7. Income taxes

### Tax consolidation

The entities, except the trusts within the Group have formed a tax-consolidated group with effect from 1 July 2010 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Simonds Group Limited. Current tax expense/(income), deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in those entities using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts.

The tax funding arrangements require payments to/(from) the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to

the tax liability/(asset) assumed. The inter-entity receivable/(payable) are at call. Contributions to fund the tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

## Income tax recognised

|                                                                       | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|-----------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Current tax</b>                                                    |                           |                           |
| (Benefit) / expense in respect of the current year                    | -                         | -                         |
| (Benefit) in respect of prior years                                   | -                         | -                         |
|                                                                       | <u>-</u>                  | <u>-</u>                  |
| <b>Deferred tax</b>                                                   |                           |                           |
| Expense in respect of the current years                               | 841                       | 2,120                     |
| (Benefit) in respect of prior years                                   | (406)                     | (290)                     |
|                                                                       | <u>435</u>                | <u>1,830</u>              |
| <b>Consolidated income tax expense recognised in the current year</b> | <b>435</b>                | <b>1,830</b>              |
| Income tax expense from continuing operations                         | 600                       | 1,395                     |
| Income tax (benefit) / expense from discontinued operations           | (165)                     | 435                       |
|                                                                       | <u>435</u>                | <u>1,830</u>              |

## The income tax expense can be reconciled to the accounting profit as follows:

|                                                                                                   |              |              |
|---------------------------------------------------------------------------------------------------|--------------|--------------|
| Profit before tax from continuing operations                                                      | 1,999        | 4,405        |
| (Loss) / profit before tax from discontinued operations                                           | (549)        | 1,451        |
| <b>Profit before tax</b>                                                                          | <b>1,450</b> | <b>5,856</b> |
| Income tax expense / (benefit) calculated at 30% (2024: 30%)                                      | 435          | 1,757        |
| Effect of Executive Share Based Payments non-deductible                                           | -            | -            |
| Effect of expenses that are not deductible in determining taxable profit                          | -            | 173          |
| Other adjustments                                                                                 | -            | (100)        |
|                                                                                                   | <u>435</u>   | <u>1,830</u> |
| Adjustments recognised in the current year in relation to deferred and current tax of prior years |              | -            |
| <b>Income tax expense recognised in profit or loss</b>                                            | <b>435</b>   | <b>1,830</b> |
| Income tax expense from continuing operations                                                     | 600          | 1,395        |
| Income tax (benefit) / expense from discontinued operations                                       | (165)        | 435          |
|                                                                                                   | <u>435</u>   | <u>1,830</u> |

The tax rate used for the 2025 and 2024 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

## Current tax assets and liabilities

|                       | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|-----------------------|---------------------------|---------------------------|
| Income tax refundable | -                         | -                         |

## Deferred tax balances

### Amounts recognised in profit or loss

|                          |           |              |
|--------------------------|-----------|--------------|
| Deferred tax assets      | 15,088    | 14,870       |
| Deferred tax liabilities | (15,051)  | (12,848)     |
| <b>Net deferred tax</b>  | <b>37</b> | <b>2,022</b> |

| 2025                                            | Opening<br>balance<br>\$'000 | Under /<br>over<br>\$'000 | Recognised in<br>profit or loss<br>\$'000 | Recognised<br>in Goodwill<br>\$'000 | Closing<br>balance<br>\$'000 |
|-------------------------------------------------|------------------------------|---------------------------|-------------------------------------------|-------------------------------------|------------------------------|
| Construction Contracts income                   | (12,282)                     | -                         | 7,100                                     | -                                   | (5,182)                      |
| Capitalised Courses and Product Design          | (565)                        | -                         | 88                                        | -                                   | (477)                        |
| Property, Plant, Equipment & Intangibles        | 1,261                        | -                         | 409                                       | (1,550)                             | 120                          |
| Provision for warranty and contract maintenance | 366                          | -                         | (836)                                     | -                                   | (470)                        |
| Employee Entitlements                           | 1,696                        | -                         | 184                                       | -                                   | 1,880                        |
| DTA on losses                                   | 10,600                       | -                         | (9,462)                                   | -                                   | 1,138                        |
| Other                                           | 946                          | 406                       | 1,676                                     | -                                   | 3,028                        |
|                                                 | <b>2,022</b>                 | <b>406</b>                | <b>(841)</b>                              | <b>(1,550)</b>                      | <b>37</b>                    |

| 2024                                            | Opening<br>balance<br>\$'000 | Under / over<br>\$'000 | Recognised in<br>profit or loss<br>\$'000 | Closing<br>balance<br>\$'000 |
|-------------------------------------------------|------------------------------|------------------------|-------------------------------------------|------------------------------|
| Construction Contracts income                   | (11,202)                     | -                      | (1,080)                                   | (12,282)                     |
| Capitalised Courses and Product Design          | (351)                        | -                      | (214)                                     | (565)                        |
| Property, Plant, Equipment & Intangibles        | 1,651                        | 72                     | (462)                                     | 1,261                        |
| Provision for warranty and contract maintenance | 1,048                        | (1)                    | (681)                                     | 366                          |
| Employee Entitlements                           | 1,392                        | 4                      | 300                                       | 1,696                        |
| DTA on losses                                   | 9,717                        | -                      | 883                                       | 10,600                       |
| Other                                           | 1,597                        | 215                    | (866)                                     | 946                          |
|                                                 | <b>3,852</b>                 | <b>290</b>             | <b>(2,120)</b>                            | <b>2,022</b>                 |

## 8. Discontinued Operations

### **Madisson Business**

Following a comprehensive review initiated by the Directors on 16 November 2015, the Group announced a plan for the orderly closure of the Madisson business unit of the Group on 21 January 2016 upon completion of the remaining projects. All projects were completed in financial year ended 30 June 2017. As part of the warranty rules under the statutory regulations, the business is still incurring liability for warranty claims. As such, the expenses are predominantly related to warranty and related activities.

### **Financial performance for the year from the Madisson business**

|                                             | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|---------------------------------------------|---------------------------|---------------------------|
| Revenue                                     | -                         | -                         |
| Expenses                                    |                           |                           |
| Insurance claim proceeds                    | -                         | 1,551                     |
| Maintenance & warranty                      | (549)                     | (100)                     |
| Total (expense) / recoveries                | (549)                     | 1,451                     |
| (Loss) / Profit before tax                  | (549)                     | 1,451                     |
| Attributable income tax benefit / (expense) | 165                       | (435)                     |
| (Loss) / profit after tax for the year      | <b>(384)</b>              | <b>1,016</b>              |

## 9. Expenses for the year

|                                                                                    |                  |                  |
|------------------------------------------------------------------------------------|------------------|------------------|
| Profit / (loss) on disposal of property, plant and equipment and intangible assets | 9                | (238)            |
| Marketing and selling expenses                                                     | (16,535)         | (17,890)         |
| Corporate and administrative expenses                                              | (19,822)         | (21,851)         |
| Employee benefits expense                                                          | (81,636)         | (75,146)         |
| Transaction and related expenses <sup>(i)</sup>                                    | (6,183)          | -                |
|                                                                                    | <b>(124,167)</b> | <b>(115,125)</b> |

<sup>(i)</sup> The transaction costs and related expenses are attributable to non-underlying activities which are outside of the ordinary course of business such as business combinations. The \$6.183m transaction and related expenses were corporate and administrative expenses.

## 10. Earnings per share

|                                                    | 30 June<br>2025<br>Cents per<br>share | 30 June<br>2024<br>Cents per<br>share |
|----------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>From continuing operations</b>                  |                                       |                                       |
| Total basic profit per share                       | 0.39                                  | 0.84                                  |
| Total diluted profit per share                     | 0.39                                  | 0.84                                  |
| <b>From continuing and discontinued operations</b> |                                       |                                       |
| Total basic profit per share                       | 0.28                                  | 1.12                                  |
| Total diluted profit per share                     | 0.28                                  | 1.12                                  |

## Basic earnings per share

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

|                                                                                             | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|---------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b><i>From continuing operations</i></b>                                                    |                           |                           |
| Profit for the year attributable to owners of the Company                                   | 1,399                     | 3,010                     |
| <b><i>From continuing and discontinued operations</i></b>                                   |                           |                           |
| Profit for the year attributable to owners of the Company                                   | 1,015                     | 4,026                     |
|                                                                                             |                           |                           |
|                                                                                             | <b>Shares</b>             | <b>Shares</b>             |
| Weighted average number of ordinary shares for the purposes of the basic earnings per share | 359,906,450               | 359,906,450               |

## Diluted earnings per share

|                                                                                                | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b><i>From continuing operations</i></b>                                                       |                           |                           |
| Profit for the year attributable to owners of the Company                                      | 1,399                     | 3,010                     |
| <b><i>From continuing and discontinued operations</i></b>                                      |                           |                           |
| Profit for the year attributable to owners of the Company                                      | 1,015                     | 4,026                     |
|                                                                                                |                           |                           |
|                                                                                                | <b>Shares</b>             | <b>Shares</b>             |
| Weighted average number of ordinary shares for the purposes of the basic earnings per share    | 359,906,450               | 359,906,450               |
| Shares deemed to be issued for no consideration in respect of:<br>Performance Rights / Options | 3,304,511                 | 249,863                   |
| Weighted average number of ordinary shares for the purposes of the diluted earnings per share  | <b>363,210,961</b>        | <b>360,156,313</b>        |

## 11. Trade and other receivables

|                                  | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|----------------------------------|---------------------------|---------------------------|
| <b>Current</b>                   |                           |                           |
| Trade receivables <sup>(i)</sup> | 45,261                    | 53,580                    |
|                                  | <b>45,261</b>             | <b>53,580</b>             |
| Other receivables                | 817                       | 576                       |
|                                  | <b>46,078</b>             | <b>54,156</b>             |

<sup>(i)</sup>The amounts pertaining to related party receivables are disclosed within note 27.

### Trade receivables

The average settlement terms for progress invoices in relation to residential contracts are between 7 and 45 days. The Group has written off all receivables that are known to be uncollectable. Prior to accepting a new customer for the construction of a dwelling, the Group ensures that appropriate

contractual terms are in place with the customer and that the customer has secured financing in advance of the commencement of construction.

In determining the recoverability of a trade receivables, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated and dwellings constructed for customers serving as a security against the receivable.

***Age of receivables from continuing operations that are past due but not impaired***

|                    | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|--------------------|---------------------------|---------------------------|
| 46 - 60 days       | 3,074                     | 2,295                     |
| 61 - 90 days       | 2,191                     | 2,164                     |
| 91 - 120 days      | 988                       | 1,154                     |
| Over 120 days      | 2,407                     | 1,825                     |
| Total              | 8,660                     | 7,438                     |
| Average age (days) | 99                        | 100                       |

Receivables past due but not impaired primarily relate to final settlement payments upon completion of construction and supplier rebate. The Group has included in its considerations for any expected credit loss of these receivables, with no current material indication requiring a provision as at 30 June 2025. There were no bad debts recognised in the profit and loss statement for the year ended 30 June 2025.

**12. Accrued revenue**

|                                                        |               |               |
|--------------------------------------------------------|---------------|---------------|
| Work in progress on residential construction contracts | <b>38,732</b> | <b>55,751</b> |
|--------------------------------------------------------|---------------|---------------|

**13. Inventories**

|                                         |               |               |
|-----------------------------------------|---------------|---------------|
| Speculative homes                       | 5,368         | 1,400         |
| Display land stock                      | 15,949        | 20,821        |
| Provision for impairment of inventories | (109)         | -             |
|                                         | <b>21,208</b> | <b>22,221</b> |

Land cost includes the cost of acquisition, development, borrowings and all other costs directly related to specific projects.

Display home costs include direct costs of building display homes. Speculative home costs include direct costs of building speculative homes.

The impairment provision of display homes above is assessed using recent market values. This assessment includes current independent valuations, current offers to purchase the display homes, and current asking prices to sell these display homes.

**14. Subsidiaries**

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

| Name                                     | Principal activity            | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group |      |
|------------------------------------------|-------------------------------|--------------------------------------|---------------------------------------------------------------------|------|
|                                          |                               |                                      | 2025                                                                | 2024 |
| Simonds Homes Victoria Pty Ltd           | Residential – Victoria        | Australia                            | 100%                                                                | 100% |
| Simonds Homes NSW Pty Ltd                | Residential – NSW             | Australia                            | 100%                                                                | 100% |
| Simonds Queensland Constructions Pty Ltd | Residential – Queensland      | Australia                            | 100%                                                                | 100% |
| Simonds SA Pty Ltd                       | Residential – South Australia | Australia                            | 100%                                                                | 100% |

| Name                                 | Principal activity                   | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group |      |
|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------------------------------------|------|
|                                      |                                      |                                      | 2025                                                                | 2024 |
| Simonds WA Pty Ltd                   | Residential – Western Australia      | Australia                            | 100%                                                                | 100% |
| Madisson Homes Australia Pty Ltd     | Residential – Victoria               | Australia                            | 100%                                                                | 100% |
| Simonds Personnel Pty Ltd            | Payroll service entity               | Australia                            | 100%                                                                | 100% |
| Simonds Assets Pty Ltd               | Asset service entity                 | Australia                            | 100%                                                                | 100% |
| Simonds IP Pty Ltd                   | Intellectual property service entity | Australia                            | 100%                                                                | 100% |
| Simonds Corporate Pty Ltd            | Asset service entity                 | Australia                            | 100%                                                                | 100% |
| Jackass Flat Developments Pty Ltd    | Land development and sales           | Australia                            | 100%                                                                | 100% |
| Simonds Land Development Pty Ltd     | Land development and sales           | Australia                            | 100%                                                                | 100% |
| Bridgeman Downs Land Project Pty Ltd | Land development and sales           | Australia                            | 100%                                                                | 100% |
| Discover Developments Pty Ltd        | Land development and sales           | Australia                            | 100%                                                                | 100% |
| Discover Gisborne Pty Ltd            | Land development and sales           | Australia                            | 100%                                                                | 100% |
| Simonds DFH Pty Ltd                  | Residential                          | Australia                            | 100%                                                                | 0%   |

- Simonds Group Limited is the head entity within the tax consolidated group.
- All Group subsidiaries are members of the tax consolidated group.
- Simonds Group Limited and its subsidiaries have entered into a deed of cross guarantee with Simonds Group Limited pursuant to ASIC Class Order 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.
- Dennis Family Homes Pty Ltd was acquired by Simonds Group Limited on 28<sup>th</sup> February 2025 and subsequently changed its name to Simonds DFH Pty Ltd. For details of the acquisition refer to note 35. No other subsidiaries have been acquired or incorporated during the year ended 30 June 2025 (30 June 2024: None).
- The above companies represent a “Closed Group” for the Class Order. The closed Group’s Statement of Profit or loss and Other Comprehensive Income for the year and closed group’s Statement of Financial Position as at 30 June 2025 are the same as the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year and the Consolidated Statement of Financial Position as at 30 June 2025 disclosed on pages 28-29.

## 15. Property, plant and equipment

### Accounting policy

The carrying amount of property, plant and equipment which is measured on the cost basis, is subject to impairment testing and is reviewed to determine whether they are in excess of their recoverable amount at balance date.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value.

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

|                                               | Useful life                        |
|-----------------------------------------------|------------------------------------|
| Leasehold improvements                        | 5 years or the period of the lease |
| Computer equipment                            | 3 - 5 years                        |
| Office furniture and fittings                 | 5 years                            |
| Display home furniture, fixtures and fittings | 2 years                            |
| Motor vehicles                                | 5 years                            |
| Plant and equipment                           | 5 years                            |

|                                 | Leasehold<br>improvements<br>\$'000 | Computer<br>equipment<br>\$'000 | Office<br>furniture &<br>fittings<br>\$'000 | Display home<br>furniture, fixtures<br>& fittings<br>\$'000 | Motor<br>Vehicles<br>\$'000 | Plant and<br>equipment<br>\$'000 | Total<br>\$'000 |
|---------------------------------|-------------------------------------|---------------------------------|---------------------------------------------|-------------------------------------------------------------|-----------------------------|----------------------------------|-----------------|
| <b>Cost</b>                     |                                     |                                 |                                             |                                                             |                             |                                  |                 |
| Balance at 1 July 2023          | 6,867                               | 7,568                           | 3,308                                       | 6,469                                                       | 503                         | 329                              | 25,044          |
| Additions                       | 24                                  | 286                             | 21                                          | 589                                                         | -                           | -                                | 920             |
| Disposals                       | (2,680)                             | (73)                            | (1,268)                                     | (2,718)                                                     | (4)                         | (52)                             | (6,795)         |
| <b>Balance at 30 June 2024</b>  | <b>4,211</b>                        | <b>7,781</b>                    | <b>2,061</b>                                | <b>4,340</b>                                                | <b>499</b>                  | <b>277</b>                       | <b>19,169</b>   |
| <b>Cost</b>                     |                                     |                                 |                                             |                                                             |                             |                                  |                 |
| Balance at 1 July 2024          | 4,211                               | 7,781                           | 2,061                                       | 4,340                                                       | 499                         | 277                              | 19,169          |
| Additions                       | -                                   | 184                             | 312                                         | 1,406                                                       | -                           | -                                | 1,902           |
| Disposals                       | -                                   | (483)                           | (156)                                       | (916)                                                       | -                           | (23)                             | (1,578)         |
| <b>Balance at 30 June 2025</b>  | <b>4,211</b>                        | <b>7,482</b>                    | <b>2,217</b>                                | <b>4,830</b>                                                | <b>499</b>                  | <b>254</b>                       | <b>19,493</b>   |
| <b>Accumulated depreciation</b> |                                     |                                 |                                             |                                                             |                             |                                  |                 |
| Balance at 1 July 2023          | (6,091)                             | (5,832)                         | (2,752)                                     | (5,048)                                                     | (501)                       | (329)                            | (20,553)        |
| Depreciation expense            | (336)                               | (796)                           | (219)                                       | (1,145)                                                     | (2)                         | -                                | (2,498)         |
| Disposals                       | 2,585                               | 15                              | 1,078                                       | 2,704                                                       | 4                           | 52                               | 6,438           |
| <b>Balance at 30 June 2024</b>  | <b>(3,842)</b>                      | <b>(6,613)</b>                  | <b>(1,893)</b>                              | <b>(3,489)</b>                                              | <b>(499)</b>                | <b>(277)</b>                     | <b>(16,613)</b> |
| <b>Accumulated depreciation</b> |                                     |                                 |                                             |                                                             |                             |                                  |                 |
| Balance at 1 July 2024          | (3,842)                             | (6,613)                         | (1,893)                                     | (3,489)                                                     | (499)                       | (277)                            | (16,613)        |
| Depreciation expense            | (170)                               | (538)                           | (106)                                       | (1,067)                                                     | -                           | -                                | (1,881)         |
| Disposals                       | -                                   | 444                             | 144                                         | 916                                                         | -                           | 23                               | 1,527           |
| <b>Balance at 30 June 2025</b>  | <b>(4,012)</b>                      | <b>(6,707)</b>                  | <b>(1,855)</b>                              | <b>(3,640)</b>                                              | <b>(499)</b>                | <b>(254)</b>                     | <b>(16,967)</b> |
| <b>Net book value</b>           |                                     |                                 |                                             |                                                             |                             |                                  |                 |
| <b>As at 30 June 2024</b>       | <b>369</b>                          | <b>1,168</b>                    | <b>168</b>                                  | <b>851</b>                                                  | <b>-</b>                    | <b>-</b>                         | <b>2,556</b>    |
| <b>As at 30 June 2025</b>       | <b>199</b>                          | <b>775</b>                      | <b>362</b>                                  | <b>1,190</b>                                                | <b>-</b>                    | <b>-</b>                         | <b>2,526</b>    |

## 16. Intangible Assets

### Accounting policy

#### Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

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

|                             | Useful Life |
|-----------------------------|-------------|
| Computer Software           | 3 years     |
| Capitalised Product Designs | 3 years     |

#### Internally-generated intangible assets – research and development expenditure

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### Forward Order Book

As part of the acquisition of Simonds DFH Pty Ltd (formerly Dennis Family Homes Pty Ltd) on 28<sup>th</sup> February, the Group recognised a forward order book as an identifiable intangible asset. The forward order book represents confirmed customer orders at the acquisition date that are expected to generate future economic benefits.

The forward order book was recognised at fair value of \$4.971m, determined using discounted cashflow method. The asset is considered to have a finite useful life of 2 - 3 years, based on the expected fulfilment period of the customer orders. Amortisation is recognised on a straight-line basis over the useful life.

#### Goodwill

On acquisition date, Goodwill is measured as the excess of the sum of the consideration transferred, and the fair value of the net of the amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is an indefinite life intangible and after acquisition, is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses. Any impairment loss for goodwill is recognised directly in profit or loss.

|                                           | Computer Software<br>\$'000 | Capitalised Product<br>Designs<br>\$'000 | Forward order book<br>\$'000 | Goodwill<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------|-----------------------------|------------------------------------------|------------------------------|--------------------|-----------------|
| <b>Cost</b>                               |                             |                                          |                              |                    |                 |
| Balance at 1 July 2023                    | <b>6,494</b>                | <b>5,699</b>                             | -                            | -                  | <b>12,193</b>   |
| Additions                                 | 885                         | 1,530                                    | -                            | -                  | 2,415           |
| Disposals                                 | (4)                         | (132)                                    | -                            | -                  | (136)           |
| <b>Balance at 30 June 2024</b>            | <b>7,375</b>                | <b>7,097</b>                             | -                            | -                  | <b>14,472</b>   |
| <b>Cost</b>                               |                             |                                          |                              |                    |                 |
| Balance at 1 July 2024                    | <b>7,375</b>                | <b>7,097</b>                             | -                            | -                  | <b>14,472</b>   |
| Additions                                 | 633                         | 919                                      | -                            | -                  | 1,552           |
| Acquisition through business combinations | -                           | 1,000                                    | 4,971                        | 12,344             | 18,315          |
| Disposals                                 | -                           | (1,970)                                  | -                            | -                  | (1,970)         |
| <b>Balance at 30 June 2025</b>            | <b>8,008</b>                | <b>7,046</b>                             | <b>4,971</b>                 | <b>12,344</b>      | <b>32,369</b>   |
| <b>Accumulated amortisation</b>           |                             |                                          |                              |                    |                 |
| Balance at 1 July 2023                    | (5,855)                     | (4,382)                                  | -                            | -                  | (10,237)        |
| Amortisation Expense                      | (483)                       | (812)                                    | -                            | -                  | (1,295)         |
| Disposals                                 | -                           | 75                                       | -                            | -                  | 75              |
| <b>Balance 30 June 2024</b>               | <b>(6,338)</b>              | <b>(5,119)</b>                           | -                            | -                  | <b>(11,457)</b> |
| <b>Accumulated amortisation</b>           |                             |                                          |                              |                    |                 |
| Balance at 1 July 2024                    | <b>(6,338)</b>              | <b>(5,119)</b>                           | -                            | -                  | <b>(11,457)</b> |
| Amortisation Expense                      | (554)                       | (976)                                    | (640)                        | -                  | (2,170)         |
| Disposals                                 | -                           | 1,970                                    | -                            | -                  | 1,970           |
| <b>Balance 30 June 2025</b>               | <b>(6,892)</b>              | <b>(4,125)</b>                           | <b>(640)</b>                 | -                  | <b>(11,657)</b> |
| <b>Net Book Value</b>                     |                             |                                          |                              |                    |                 |
| <b>As at 30 June 2024</b>                 | <b>1,037</b>                | <b>1,978</b>                             | -                            | -                  | <b>3,015</b>    |
| <b>As at 30 June 2025</b>                 | <b>1,116</b>                | <b>2,921</b>                             | <b>4,331</b>                 | <b>12,344</b>      | <b>20,712</b>   |

## 17. Other assets

|              | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|--------------|---------------------------|---------------------------|
| Prepayments  | 2,575                     | 2,270                     |
| Other assets | 218                       | 196                       |
|              | <b>2,793</b>              | <b>2,466</b>              |

## 18. Trade and other payables

|                                |               |               |
|--------------------------------|---------------|---------------|
| Trade payables                 | 53,328        | 53,535        |
| Construction accruals          | 21,967        | 33,507        |
| Goods and services tax payable | 2,160         | 1,779         |
| Other payables and accruals    | 5,882         | 4,072         |
|                                | <b>83,337</b> | <b>92,893</b> |

Trade payables are unsecured and payment terms vary from 30 days (end of month) to 55 days from invoice. The subcontractors are paid within 7 days of the invoice.

## 19. Deferred revenue

|                                                             |               |               |
|-------------------------------------------------------------|---------------|---------------|
| Balance at beginning of the period                          | 11,332        | 11,332        |
| Net other movements                                         | 2,760         | (1,853)       |
| Acquisition through business combination (Refer to note 35) | 1,763         | -             |
| Balance at end of the period                                | <b>15,855</b> | <b>11,332</b> |

## 20. Borrowings

|                  |            |            |
|------------------|------------|------------|
| <b>Current</b>   |            |            |
| Other borrowings | 754        | 843        |
|                  | <b>754</b> | <b>843</b> |

## Summary of borrowing arrangements

Details of the Group's borrowing facility as at 30 June 2025 are as follows:

| Facility                                      | Utilised<br>\$'000 | Unutilised<br>\$'000 | Interest<br>Charge               | Description                                                                         | Maturity Date    |
|-----------------------------------------------|--------------------|----------------------|----------------------------------|-------------------------------------------------------------------------------------|------------------|
| Market Rate Loan                              | -                  | 3,000                | Variable<br>Market Rate          | The Group's facilities are secured by all Simonds Group Limited corporate entities. | 31 December 2027 |
| Bank Guarantees                               | 3,437 <sup>1</sup> | 563                  | Fixed Market<br>Rate             |                                                                                     | 31 December 2025 |
| Overdraft Facility                            | -                  | 18,500               | Overdraft<br>Index Rate          |                                                                                     | Ongoing          |
| Business<br>Corporate Credit<br>Card Facility | 1,000              | -                    | Cash<br>Advance<br>Interest Rate | Charged Card facility made available to Simonds Group.                              | Ongoing          |

<sup>1</sup> Bank guarantees is disclosed in contingent liability note 33.

| Facility                   | Utilised<br>\$'000 | Unutilised<br>\$'000 | Interest<br>Charge | Description                                                                                        | Maturity Date |
|----------------------------|--------------------|----------------------|--------------------|----------------------------------------------------------------------------------------------------|---------------|
| Equipment Finance Facility | 5,658 <sup>1</sup> | 2,342                | Fixed Market Rate  | Asset under leases are secured by the assets leased with repayments periods not exceeding 5 years. | Ongoing       |
| <b>Total</b>               | <b>10,095</b>      | <b>24,405</b>        |                    |                                                                                                    |               |

In addition to the debt facility outlined above, the Group has additional facilities as below:

| Facility                  | Utilised<br>\$'000 | Unutilised<br>\$'000 | Interest<br>Charge  | Description                                                                                                                                                                                           | Maturity Date    |
|---------------------------|--------------------|----------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Microsoft Financing       | 337                | -                    | Fixed Interest Rate | The Group entered into a Master Instalment Payment Agreement with De Lage Landen Pty Ltd, which covers license subscription for Microsoft products for the period from January 2025 to December 2025. | 31 December 2025 |
| Insurance Premium Funding | 417                | -                    | Fixed Interest Rate | The Group entered into a premium funding contract with IQumulate Premium Funding Pty Ltd, which covers various corporate insurance for period from November 2024 to October 2025.                     | 31 August 2025   |
| <b>Total</b>              | <b>754</b>         | <b>-</b>             |                     |                                                                                                                                                                                                       |                  |

## 21. Provisions

### Accounting policy

#### Maintenance and warranty

Provisions for the cost of maintenance and warranty is the directors' best estimate of the expenditure required to settle the Group's obligations under legislative requirements.

#### Make good

Provisions for make good are based on the directors' best estimates of the costs required to reinstate the display homes and commercial leased properties under legislation; or requirement to be at a saleable standard.

|                                                      | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|------------------------------------------------------|---------------------------|---------------------------|
| Provision for employee benefits (i)                  | 10,357                    | 8,304                     |
| Provision for warranty and contract maintenance (ii) | 13,588                    | 10,153                    |
| Provision for make good (iii)                        | 1,377                     | 724                       |
|                                                      | <b>25,322</b>             | <b>19,181</b>             |
| Current                                              | 14,629                    | 11,856                    |
| Non – current                                        | 10,693                    | 7,325                     |
|                                                      | <b>25,322</b>             | <b>19,181</b>             |

<sup>1</sup> Recorded as part of lease liabilities.

- (i) The provision for employee benefits represents annual leave and long service leave entitlements accrued and compensation claims made by employees.
- (ii) The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties related to residential construction. The estimate has been made on the basis of historical warranty trends and may vary as a result of the annual build program, the history of defects relating to materials used or in the nature of services provided.
- (iii) Provisions based on the directors' best estimates of the costs required to reinstate the display homes and commercial leased properties under legislation; or requirement to be at a saleable standard.

*The movement in provisions during the financial year is as below:*

| 2025                                            | Warranty and contract<br>maintenance<br>\$'000 | Make good<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------|------------------------------------------------|---------------------|-----------------|
| At 30 June 2024                                 | 10,153                                         | 724                 | 10,877          |
| Additional provision recognised during the year | 2,296                                          | 706                 | 3,002           |
| Provision utilised during the financial year    | (4,207)                                        | (245)               | (4,452)         |
| Acquisition through business combinations       | 5,346                                          | 192                 | 5,538           |
| <b>At 30 June 2025</b>                          | <b>13,588</b>                                  | <b>1,377</b>        | <b>14,965</b>   |

#### **Critical accounting judgements and key sources of estimation uncertainty - provision for maintenance and warranties**

At each year end the Group considers its legal and constructive obligations for warranties and maintenance on properties constructed. Typically, the Group makes provision for warranties for a period of up to ten years following the completion of a construction contract. The directors take into account the annual build program, history of defects relating to materials used or in services provided and the historical liabilities the Group has assumed in respect of warranties in estimating the provision for warranties. The directors use a present value methodology to recognise the best estimate of the expenditure required to settle the Group's obligation.

The Group use an actuarial model based on historical maintenance and warranty spend to provide an estimate for the maintenance and warranty provision. Key assumptions in this model were developed by an independent actuary and are reviewed internally regularly, to ensure they remain appropriate for calculating the maintenance and warranty provision as at 30 June 2025. There has been no significant change to the model assumptions to those used in the prior financial year.

## **22. Issued capital**

|                                                                 | 30 June<br>2025<br>\$'000 |  | 30 June<br>2024<br>\$'000 |  |
|-----------------------------------------------------------------|---------------------------|--|---------------------------|--|
| 359,906,450 fully paid ordinary shares (June 2024: 359,906,450) | 37,867                    |  | 37,867                    |  |
|                                                                 | <b>37,867</b>             |  | <b>37,867</b>             |  |

  

|                                    | Number of shares   |                    | Share capital (\$'000) |                 |
|------------------------------------|--------------------|--------------------|------------------------|-----------------|
|                                    | 30 June<br>2025    | 30 June<br>2024    | 30 June<br>2025        | 30 June<br>2024 |
| Balance at beginning of the period | 359,906,450        | 359,906,450        | 37,867                 | 37,867          |
| Movement in ordinary shares        | -                  | -                  | -                      | -               |
| Balance at end of the period       | <b>359,906,450</b> | <b>359,906,450</b> | <b>37,867</b>          | <b>37,867</b>   |

## 23. Reserves

|                                          | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|------------------------------------------|---------------------------|---------------------------|
| Share Buy-back Reserve                   | (7,204)                   | (7,204)                   |
| Share Based Payment Reserve <sup>1</sup> | 28,863                    | 28,848                    |
|                                          | <b>21,659</b>             | <b>21,644</b>             |

<sup>1</sup> Movements arising from share-based payments, refer to note 28 for detail.

### ***Share Buy-back Reserve***

On 20 August 2015, the Group announced its intention to undertake an on-market share buy-back ("buy-back") to enable the Group to acquire up to a maximum of 7.570m shares within a 12-month period. The buy-back was part of the Group's ongoing capital management strategy and determined by the Directors to be an appropriate use of Group capital resources given current market conditions at the time. The Group bought back 7.570m of its issued shares and as a result, the balance between the total buy-back and the amount deemed a reduction in capital was recorded in the share buy-back reserve.

### ***Share Based Payment Reserve***

This reserve is used to recognise the value of equity settled benefits provided to employees and directors as part of their remuneration.

## 24. Dividends paid or payable

No dividend will be paid in relation to the 2025 financial year (2024: nil).

The company's adjusted franking account balance as at 30 June 2025 is \$9.758m (2024: \$9.760m).

## 25. Financial instruments

### **Accounting policy**

#### ***Non-derivative financial instruments***

#### **Capital risk management**

Directors review the capital structure on an ongoing basis. As a part of this review the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues, and the issue or repayment of debt.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 20, cash, and equity attributable to equity holders of the parent, comprising issued capital, accumulated losses and dividends, as disclosed in notes 22 to 24.

#### **Financial risk management**

The Group does not enter into or trade financial instruments, for speculative purposes. The use of financial instruments is governed by the Group's policies which are approved by the directors. The Chief Financial Officer is responsible for managing the Group's treasury requirements in accordance with this policy.

The Group hold the following financial instruments at amortised costs:

|                                       | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|---------------------------------------|---------------------------|---------------------------|
| <b>Financial Assets</b>               |                           |                           |
| Cash and Cash equivalents             | 23,338                    | 1,647                     |
| Trade and other receivables           | 46,078                    | 54,156                    |
|                                       | <b>69,416</b>             | <b>55,803</b>             |
| <b>Financial Liabilities</b>          |                           |                           |
| Trade and other payables              | 83,337                    | 92,893                    |
| Lease liabilities                     | 16,836                    | 15,537                    |
| Contingent consideration <sup>1</sup> | 9,530                     | -                         |
| Borrowings                            | 754                       | 843                       |
|                                       | <b>110,457</b>            | <b>109,273</b>            |

<sup>1</sup> Contingent consideration representing the fair value of contingent payment relating to acquisition of subsidiary Simonds DFH Pty Ltd at 30 June 2025.

## Market risk

### i) Interest rate risk management

The Group is exposed to interest rate risk as the entities in the Group borrow funds at both fixed and variable interest rates. There is an interest rate exposure for these utilised facilities when they are used during each financial year (Refer to note 20 for details of these facilities).

A sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2025 would decrease/increase by \$0.038m (2024: \$0.038m). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

## Credit risk

Credit risk arises from financial assets which comprise cash and cash equivalents, trade and other receivables and the granting of financial guarantees. Exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets as well as in relation to financial guarantees granted.

Construction contracts require the customer to obtain finance prior to starting the build. Contracts for Speculative Housing, Displays and Land require payment in full prior to passing of title to customers. The Group has no significant concentrations of credit risk and does not hold any credit derivatives to offset its credit exposure.

## Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

### i) Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Year ended 30 June 2025      | < 6 months<br>\$'000 | 6 -12 months<br>\$'000 | >1 -5 years<br>\$'000 | Total<br>\$'000 |
|------------------------------|----------------------|------------------------|-----------------------|-----------------|
| <b>Financial Liabilities</b> |                      |                        |                       |                 |
| Trade and other payables     | 83,337               | -                      | -                     | 83,337          |
| Lease liabilities            | 1,761                | 10,593                 | 5,761                 | 18,115          |
| Borrowings                   | 754                  | -                      | -                     | 754             |
| Contingent consideration     | 5,340                | 2,290                  | 1,900                 | 9,530           |
|                              | <b>91,192</b>        | <b>12,883</b>          | <b>7,661</b>          | <b>111,736</b>  |

| Year ended 30 June 2024      | < 6 months<br>\$'000 | 6 -12 months<br>\$'000 | >1 -5 years<br>\$'000 | Total<br>\$'000 |
|------------------------------|----------------------|------------------------|-----------------------|-----------------|
| <b>Financial Liabilities</b> |                      |                        |                       |                 |
| Trade and other payables     | 92,893               | -                      | -                     | 92,893          |
| Lease liabilities            | 1,116                | 10,783                 | 4,755                 | 16,654          |
| Borrowings                   | 843                  | -                      | -                     | 843             |
|                              | <b>94,852</b>        | <b>10,783</b>          | <b>4,755</b>          | <b>110,390</b>  |

## 26. Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the Company and the Group is set out below:

|                              | 30 June<br>2025<br>\$ | 30 June<br>2024<br>\$ |
|------------------------------|-----------------------|-----------------------|
| Short-term employee benefits | 2,968,402             | 2,167,967             |
| Post-employment benefits     | 149,643               | 119,788               |
| Other long-term benefits     | 48,834                | 26,232                |
| Share-based payments         | 3,657                 | -                     |
|                              | <b>3,170,536</b>      | <b>2,313,987</b>      |

## 27. Related party transactions

### Trading Transactions

During the year group entities entered the following transactions with related parties which are not members of the Group.

|                                                    | Sales of goods        |                       | Cost of goods         |                       | Leases and services rendered |                       | Non-cash remuneration |                       |
|----------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|-----------------------|
|                                                    | 30 June<br>2025<br>\$ | 30 June<br>2024<br>\$ | 30 June<br>2025<br>\$ | 30 June<br>2024<br>\$ | 30 June<br>2025<br>\$        | 30 June<br>2024<br>\$ | 30 June<br>2025<br>\$ | 30 June<br>2024<br>\$ |
| <b>Vallence Gary Simonds and related entities:</b> |                       |                       |                       |                       |                              |                       |                       |                       |
| Properties leased on an arms-length basis          | -                     | -                     | -                     | -                     | 273,000                      | 273,000               | -                     | -                     |
| Advisory fee paid during the year                  | -                     | -                     | -                     | -                     | 101,827                      | 101,370               | -                     | -                     |
| Remuneration for employee services                 | -                     | -                     | -                     | -                     | 85,151                       | 85,845                | -                     | -                     |
| Car park provided                                  | -                     | -                     | -                     | -                     | -                            | -                     | 21,069                | 20,266                |
|                                                    | -                     | -                     | -                     | -                     | <b>459,978</b>               | <b>460,215</b>        | <b>21,069</b>         | <b>20,266</b>         |
| <b>Simonds Family Office Pty Ltd<sup>1</sup></b>   |                       |                       |                       |                       |                              |                       |                       |                       |
| Sponsorships                                       | -                     | -                     | -                     | 98,486                | -                            | -                     | -                     | -                     |
| Properties and car park provided                   | -                     | -                     | -                     | -                     | 33,115                       | 123,327               | -                     | -                     |
| Construction contracts                             | 3,561,576             | 627,828               | 2,828,451             | 487,582               | -                            | -                     | -                     | -                     |
| Consulting services                                | -                     | -                     | -                     | -                     | 271,671                      | 227,204               | -                     | -                     |
|                                                    | <b>3,561,576</b>      | <b>627,828</b>        | <b>2,828,451</b>      | <b>586,068</b>        | <b>304,786</b>               | <b>350,531</b>        | -                     | -                     |
| <b>Mark Simonds and related entities:</b>          |                       |                       |                       |                       |                              |                       |                       |                       |
| Payment for use of building licence                | -                     | -                     | -                     | -                     | 393,939                      | 363,636               | -                     | -                     |
| Remuneration for employee services                 | -                     | -                     | -                     | -                     | 79,047                       | 77,858                | 9,294                 | 3,509                 |
|                                                    | -                     | -                     | -                     | -                     | <b>472,986</b>               | <b>441,494</b>        | <b>9,294</b>          | <b>3,509</b>          |
| <b>Total</b>                                       | <b>3,561,576</b>      | <b>627,828</b>        | <b>2,828,451</b>      | <b>586,068</b>        | <b>1,237,750</b>             | <b>1,252,240</b>      | <b>30,363</b>         | <b>23,775</b>         |

At 30 June 2025, \$886,029 (2024: \$227,360) was outstanding by Simonds Family Office Pty Ltd for constructions builds. \$8,797 (2024: \$22,215) was payable from the Group to Vallence Gary Simonds and related entities and Simonds Family Office Pty Ltd for property leased and car parking lease.

<sup>1</sup> Mark Simonds and Rhett Simonds are directors of Simonds Family Office Pty Ltd.

## Loans to related parties

During the year ended 30 June 2025 there were no loans to related parties outside the Group (2024: Nil).

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and disclosed in this note.

## 28. Share based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

### Employee share plan

On 18 December 2024, 7,859,900 performance rights shares were granted to key management personnel and other members of the leadership team. The performance rights were issued as part of the Long-Term Incentive Plan for 2024 financial year (FY2024) and for the 2025 financial year (FY2025).

*Set out below are summaries of performance shares granted under the plan:*

| Award Structure                                 | FY2024 Performance Rights                                                                                                                                                                                                                               |                                                         |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>Consideration for the Performance Rights</b> | The Performance Rights will be granted for nil consideration.                                                                                                                                                                                           |                                                         |
| <b>Grant Date</b>                               | 18 December 2024                                                                                                                                                                                                                                        |                                                         |
| <b>Expiry Date</b>                              | 15 <sup>th</sup> Anniversary of the Grant Date                                                                                                                                                                                                          |                                                         |
| <b>Vesting Date</b>                             | 30 June 2026                                                                                                                                                                                                                                            |                                                         |
| <b>Performance Measure</b>                      | Vesting of Performance Rights is dependent on one discrete performance measure (hurdle):<br><br><i>FY2026 Adjusted EBITDA per share</i><br>The performance measure is to achieve an EBITDA per share target for the financial year ending 30 June 2026. |                                                         |
| <b>EPS Vesting Schedule</b>                     | <b><i>FY2026 Adjusted EBITDA<sup>1</sup> per share</i></b>                                                                                                                                                                                              | <b><i>Percentage of Performance Rights to vest:</i></b> |
|                                                 | Below \$0.062                                                                                                                                                                                                                                           | None                                                    |
|                                                 | At \$0.062                                                                                                                                                                                                                                              | 50%                                                     |
|                                                 | Between \$0.062 and \$0.069                                                                                                                                                                                                                             | Straight line pro-rata vesting between 50% and 100%     |
|                                                 | At or above \$0.069                                                                                                                                                                                                                                     | 100%                                                    |
| <b>Service Vesting Condition</b>                | The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.                                                                                                                                                |                                                         |
| <b>Other conditions</b>                         | These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.                                                                                                                            |                                                         |

<sup>1</sup> When assessing Adjusted EBITDA outcomes, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period.

| <b>Award Structure</b>                          | <b>FY2025 Performance Rights</b>                                                                                                                                                                                                                        |                                                         |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>Consideration for the Performance Rights</b> | The Performance Rights will be granted for nil consideration.                                                                                                                                                                                           |                                                         |
| <b>Grant Date</b>                               | 18 December 2024                                                                                                                                                                                                                                        |                                                         |
| <b>Expiry Date</b>                              | 15 <sup>th</sup> Anniversary of the Grant Date                                                                                                                                                                                                          |                                                         |
| <b>Vesting Date</b>                             | 30 June 2027                                                                                                                                                                                                                                            |                                                         |
| <b>Performance Measure</b>                      | Vesting of Performance Rights is dependent on one discrete performance measure (hurdle):<br><br><i>FY2027 Adjusted EBITDA per share</i><br>The performance measure is to achieve an EBITDA per share target for the financial year ending 30 June 2027. |                                                         |
| <b>EPS Vesting Schedule</b>                     | <b><i>FY2027 Adjusted EBITDA<sup>1</sup> per share</i></b>                                                                                                                                                                                              | <b><i>Percentage of Performance Rights to vest:</i></b> |
|                                                 | Below \$0.092                                                                                                                                                                                                                                           | None                                                    |
|                                                 | At \$0.092                                                                                                                                                                                                                                              | 50%                                                     |
|                                                 | Between \$0.092 and \$0.103                                                                                                                                                                                                                             | Straight line pro-rata vesting between 50% and 100%     |
|                                                 | At or above \$0.103                                                                                                                                                                                                                                     | 100%                                                    |
| <b>Service Vesting Condition</b>                | The Service Vesting Condition is continuous employment with the Company from Grant Date to Vesting Date.                                                                                                                                                |                                                         |
| <b>Other conditions</b>                         | These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.                                                                                                                            |                                                         |

*Movements in performance rights during the year:*

| <b>Tranche</b>     | <b>Opening balance</b> | <b>Granted during the year</b> |                             | <b>Vested during the year</b> |                             | <b>Forfeited during the year</b> |                             | <b>Closing balance</b> |
|--------------------|------------------------|--------------------------------|-----------------------------|-------------------------------|-----------------------------|----------------------------------|-----------------------------|------------------------|
|                    | Number of rights       | Number of rights               | Weighted average fair value | Number of rights              | Weighted average fair value | Number of rights                 | Weighted average fair value | Total number of rights |
| Performance rights |                        |                                |                             |                               |                             |                                  |                             |                        |
| FY 2024            | -                      | 4,327,673                      | \$0.14                      | -                             | -                           | (2,207,747)                      | \$0.14                      | 2,119,926              |
| FY 2025            | -                      | 3,532,227                      | \$0.14                      | -                             | -                           | (1,801,953)                      | \$0.14                      | 1,730,274              |
| <b>Total</b>       |                        | <b>7,859,900</b>               | <b>\$0.14</b>               | <b>-</b>                      | <b>-</b>                    | <b>(4,009,700)</b>               | <b>\$0.14</b>               | <b>3,850,200</b>       |

*For the purposes of accounting, the rights are assumed to be equity settled. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.*

|                            | <b>30 June<br/>2025<br/>\$'000</b> | <b>30 June<br/>2024<br/>\$'000</b> |
|----------------------------|------------------------------------|------------------------------------|
| <b>Employee share plan</b> |                                    |                                    |
| Share based expense        | (15)                               | -                                  |

No (2024: nil) performance rights and no (2024: nil) options were vested during the year ended 30 June 2025.

There were no (2024: 600,000) cash rights and 4,009,700 (2024: nil) performance rights forfeited during the year.

<sup>1</sup> When assessing Adjusted EBITDA outcomes, the Board has the discretion to exclude the impact of any one-off significant items to the extent that they are not appropriate representation of the management's performance over the vesting period.

## 29. Auditor's remuneration

|                                                              | 30 June<br>2025<br>\$ | 30 June<br>2024<br>\$ |
|--------------------------------------------------------------|-----------------------|-----------------------|
| Audit or review of financial statements - Group              | 330,000               | 330,000               |
|                                                              | 330,000               | 330,000               |
| Other services                                               |                       |                       |
| -Tax services                                                | 100,000               | 90,000                |
| -Work relating to acquisition of Dennis Family Homes Pty Ltd | 20,000                | -                     |
|                                                              | <b>450,000</b>        | <b>420,000</b>        |

The Group's auditor is PKF Melbourne Audit & Assurance Pty Ltd.

## 30. Commitments for expenditure

On 22 February 2025, the Group entered into a binding agreement to acquire certain assets and a license to use intellectual property from Stephen McCarthy Developers One Pty Ltd (ACN 612 725 970) and Mr Stephen Patrick McCarthy.

The assets subject to the transaction include registered home designs across the Masterpiece and Dual Occupancy ranges, associated domain names, and a forward-order book. The total capital commitment under this agreement is \$10.0 million. The consideration comprises a mix of a lump sum payment and progressive payments under the terms of a Business Sale Agreement.

The transaction is expected to complete on 1 July 2026, at which point a lump sum payment of \$5.0 million may become payable, along with any remaining amounts due under the Business Sale Agreement.

During the year, the Group entered into a commercial lease agreement commencing after the balance date.

## 31. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts.

## Reconciliation of profit for the year to net cash flows from operating activities

|                                                     | 30 June<br>2025<br>\$'000 | 30 June<br>2024<br>\$'000 |
|-----------------------------------------------------|---------------------------|---------------------------|
| <b>Cash flows from operating activities</b>         |                           |                           |
| <b>Net profit after tax for the year</b>            | <b>1,015</b>              | <b>4,026</b>              |
| Add / (deduct):                                     |                           |                           |
| Income tax expense recognised in profit or loss     | 435                       | 1,830                     |
| Finance costs recognised in profit or loss          | 2,335                     | 2,208                     |
| Gain on disposal of tangible assets                 | 585                       | 747                       |
| Management incentive and share based payments       | 15                        | -                         |
| Depreciation and amortisation of non-current assets | 19,706                    | 16,672                    |
|                                                     | <b>24,091</b>             | <b>25,483</b>             |
| <b>Movements in working capital</b>                 |                           |                           |
| Decrease/ (increase) in trade and other receivables | 12,433                    | (14,217)                  |
| Decrease/ (increase) in inventories                 | 1,013                     | (3,209)                   |
| Decrease/ (increase) in other assets                | 34,151                    | (2,059)                   |
| (Decrease) / increase in trade and other payables   | (34,142)                  | 3,197                     |
| (Decrease) in provisions                            | (10,777)                  | (2,536)                   |
| Increase / (decrease) in other liabilities          | 14,930                    | (1,853)                   |
| Net interest paid                                   | (2,335)                   | (2,208)                   |
| Income taxes refund / (paid)                        | -                         | 52                        |
| <b>Net cash generated from operating activities</b> | <b>39,364</b>             | <b>2,650</b>              |

## Non-cash transactions

The Group acquired \$18.039m of right-of-use assets during the financial ended 30 June 2025. The additions are non-cash and not included within investing activities in the consolidated statement of cash flows.

## Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

|                                                    | Notes | 30 June<br>2024<br>\$'000 | Financing<br>cash flows<br>\$'000 | Non-cash<br>changes<br>New<br>leases<br>\$'000 | 30 June<br>2025<br>\$'000 |
|----------------------------------------------------|-------|---------------------------|-----------------------------------|------------------------------------------------|---------------------------|
| Other borrowings                                   | 20    | 843                       | (89)                              | -                                              | 754                       |
| Lease liabilities                                  | 34    | 15,537                    | (16,201)                          | 17,500                                         | 16,836                    |
| <b>Total liabilities from financing activities</b> |       | <b>16,380</b>             | <b>(16,290)</b>                   | <b>17,500</b>                                  | <b>17,590</b>             |

## 32. Parent entity information

The parent entity is Simonds Group Limited. The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

|                                        | 30 Jun<br>2025<br>\$'000 | 30 Jun<br>2024<br>\$'000 |
|----------------------------------------|--------------------------|--------------------------|
| <b>Statement of financial position</b> |                          |                          |
| Current Assets                         | 60,145                   | 46,284                   |
| Non-current Assets                     | 2,983                    | 2,351                    |
| <b>Total assets</b>                    | <b>63,128</b>            | <b>48,635</b>            |
| Current Liability                      | 21,855                   | 12,893                   |
| Non-current Liability                  | 4,975                    | 2,561                    |
| <b>Total liabilities</b>               | <b>26,830</b>            | <b>15,454</b>            |
| <b>Net assets</b>                      | <b>36,298</b>            | <b>33,181</b>            |
| Issued capital                         | 37,867                   | 37,867                   |
| Reserves                               | (35,033)                 | (35,048)                 |
| Accumulated profit                     | 33,464                   | 30,362                   |
| <b>Total equity</b>                    | <b>36,298</b>            | <b>33,181</b>            |
| <b>Income statement</b>                |                          |                          |
| Dividends from subsidiaries            | 4,500                    | -                        |
| Operating (loss) before tax            | (67)                     | (79)                     |
| Tax (expense) / refund                 | (1,331)                  | 23                       |
| <b>Profit / (loss) for the year</b>    | <b>3,102</b>             | <b>(56)</b>              |

## 33. Contingent liabilities and contingent assets

### Contingent Liabilities

|                                    |       |     |
|------------------------------------|-------|-----|
| Bank guarantees (Refer to Note 20) | 3,437 | 573 |
|------------------------------------|-------|-----|

### Litigation

There are a small number of legal matters relating to the construction of residential dwellings and personal injury claims from employees, contractors or the public that are the subject of litigation or potential litigation. A provision is raised in respect of claims where an estimate may be reliably established, and legal or other advice indicates that it is probable that the Group will incur costs either in progressing its investigation of the claim or ultimately in settlement. During the year, there were no material claims that could be reliably estimated.

### Other contracts

The Group has entered contracts to acquire properties. In the normal course of business, third parties will be assigned to purchase the property, however if no third party can be reassigned, then the Group faces an exposure of \$6.458m (2024: \$1.683m).

## **34. Leases**

The Group leases commercial offices, display homes, display home furniture, IT equipment and motor vehicles. The leases are typically with an option to renew and lease payments are reviewed when approaching the lease expiry date to reflect market rentals.

The Group also leases equipment with contract terms of one to three years. These leases are short-term and/or leases of assets with a value at or below \$10,000. For leases of low value assets and short-term leases the Group has elected not to recognise right-of-use assets and lease liabilities. The lease payments are recognised as an operating expense on a straight-line basis over the term of the lease.

Information about leases for which the Group is a lessee is presented below.

### **Amount recognised in profit or loss**

|                                                      | <b>30 June<br/>2025<br/>\$'000</b> | <b>30 June<br/>2024<br/>\$'000</b> |
|------------------------------------------------------|------------------------------------|------------------------------------|
| <i>Lease under AASB 16</i>                           |                                    |                                    |
| Interest on lease liabilities                        | (1,188)                            | (1,125)                            |
| Depreciation expense on right-of-use assets          | (15,655)                           | (12,879)                           |
| Expenses relating to short-term leases               | (1,500)                            | (2,844)                            |
| Expenses relating to low value assets leases         | (18)                               | (158)                              |
| (Loss) on sale and leaseback                         | (499)                              | (246)                              |
| Gain / (loss) on lease modification and cancellation | 214                                | (123)                              |
|                                                      | <b><u>(18,646)</u></b>             | <b><u>(17,375)</u></b>             |

### **Commitment for short-term leases and low value assets**

The Group has nil commitment to leases classified as short-term and/or low value leases (2024: \$0.032m).

### **Cashflow on leases**

The total cash outflow for leases amounts to \$17.388m (2024: \$14.534m).

### **Lease liabilities**

|                                            |                      |                      |
|--------------------------------------------|----------------------|----------------------|
| Current                                    | 11,595               | 11,082               |
| Non-current                                | 5,241                | 4,455                |
|                                            | <b><u>16,836</u></b> | <b><u>15,537</u></b> |
| Leases expiring less than one year         | 11,595               | 11,082               |
| Leases expiring between one and five years | 5,241                | 4,455                |

## Right of use assets

|                                                           | Commercial offices<br>\$'000 | Display homes<br>\$'000 | Display home furniture<br>\$'000 | IT equipment<br>\$'000 | Motor vehicles<br>\$'000 | Total<br>\$'000 |
|-----------------------------------------------------------|------------------------------|-------------------------|----------------------------------|------------------------|--------------------------|-----------------|
| <b>Cost</b>                                               |                              |                         |                                  |                        |                          |                 |
| Balance at 1 July 2023                                    | 17,562                       | 7,241                   | 5,036                            | 6,016                  | 7,398                    | 43,253          |
| Additions                                                 | 1,135                        | 4,489                   | 2,091                            | -                      | 78                       | 7,793           |
| Changes in value from lease modification and cancellation | -                            | (241)                   | -                                | -                      | -                        | (241)           |
| Disposal of assets                                        | (5,180)                      | (3,706)                 | (2,233)                          | -                      | (1,172)                  | (12,291)        |
| <b>Balance at 30 June 2024</b>                            | <b>13,517</b>                | <b>7,783</b>            | <b>4,894</b>                     | <b>6,016</b>           | <b>6,304</b>             | <b>38,514</b>   |
| <b>Cost</b>                                               |                              |                         |                                  |                        |                          |                 |
| Balance at 1 July 2024                                    | 13,517                       | 7,783                   | 4,894                            | 6,016                  | 6,304                    | 38,514          |
| Additions                                                 | 1,495                        | 8,149                   | 5,604                            | 248                    | 2,543                    | 18,039          |
| Changes in value from lease modification and cancellation | -                            | (449)                   | -                                | -                      | -                        | (449)           |
| Disposal of assets                                        | (969)                        | (5,393)                 | (3,259)                          | -                      | (2,400)                  | (12,021)        |
| <b>Balance at 30 June 2025</b>                            | <b>14,043</b>                | <b>10,090</b>           | <b>7,239</b>                     | <b>6,264</b>           | <b>6,447</b>             | <b>44,083</b>   |
| <b>Accumulated amortisation</b>                           |                              |                         |                                  |                        |                          |                 |
| Balance at 1 July 2023                                    | (10,792)                     | (3,554)                 | (2,454)                          | (2,406)                | (4,075)                  | (23,281)        |
| Charge for the year                                       | (3,890)                      | (3,855)                 | (2,266)                          | (1,203)                | (1,665)                  | (12,879)        |
| Changes in value from lease modification and cancellation | -                            | 10                      | -                                | -                      | -                        | 10              |
| Disposal of assets                                        | 5,181                        | 3,619                   | 2,177                            | -                      | 1,118                    | 12,095          |
| <b>Balance 30 June 2024</b>                               | <b>(9,501)</b>               | <b>(3,780)</b>          | <b>(2,543)</b>                   | <b>(3,609)</b>         | <b>(4,622)</b>           | <b>(24,055)</b> |
| <b>Accumulated amortisation</b>                           |                              |                         |                                  |                        |                          |                 |
| Balance at 1 July 2024                                    | (9,501)                      | (3,780)                 | (2,543)                          | (3,609)                | (4,622)                  | (24,055)        |
| Charge for the year                                       | (3,072)                      | (6,134)                 | (3,665)                          | (1,210)                | (1,574)                  | (15,655)        |
| Changes in value from lease modification and cancellation | -                            | -                       | -                                | -                      | -                        | -               |
| Disposal of assets                                        | 859                          | 4,952                   | 3,196                            | -                      | 2,367                    | 11,374          |
| <b>Balance 30 June 2025</b>                               | <b>(11,714)</b>              | <b>(4,962)</b>          | <b>(3,012)</b>                   | <b>(4,819)</b>         | <b>(3,829)</b>           | <b>(28,336)</b> |
| <b>Carrying amount</b>                                    |                              |                         |                                  |                        |                          |                 |
| <b>As at 30 June 2024</b>                                 | <b>4,016</b>                 | <b>4,003</b>            | <b>2,351</b>                     | <b>2,407</b>           | <b>1,682</b>             | <b>14,459</b>   |
| <b>As at 30 June 2025</b>                                 | <b>2,329</b>                 | <b>5,128</b>            | <b>4,227</b>                     | <b>1,445</b>           | <b>2,618</b>             | <b>15,747</b>   |

### 35. Business combination

On 31 January 2025, the Group entered into a binding contract to acquire 100% of the issued capital of Dennis Family Homes Pty Ltd ACN 056 254 249 (DF Homes) from DFC Services Pty Ltd for an estimated consideration of \$11 million through a combination of payments at completion and contingent compensation occurring on completion of jobs.

On 28 February 2025, Simonds announced completion of acquisition of DF Homes. Company name has since changed to Simonds DFH Pty Ltd. On 1 March 2025, the Group assumed control of DF Homes. The acquisition has been accounted on a provisional basis at year end.

#### Consideration transferred

|                                      | Fair value<br>\$'000 |
|--------------------------------------|----------------------|
| Cash                                 | 1,000                |
| Contingent consideration arrangement | 10,000               |
| <b>Total Consideration</b>           | <b>11,000</b>        |

#### Asset acquired and liabilities assumed at the date of acquisition

##### Assets

|                                  |        |
|----------------------------------|--------|
| Cash and cash equivalents        | 5,689  |
| Bonds paid (Security deposits)   | 69     |
| Trade debtors                    | 4,269  |
| Other debtors                    | 86     |
| WIP debtor accrual               | 17,390 |
| IP / Designs                     | 1,000  |
| Forward order book at fair value | 4,971  |

##### Liability

|                                      |                |
|--------------------------------------|----------------|
| Trade creditors                      | (13,175)       |
| Deposit and income in advance        | (1,763)        |
| Construction accruals                | (7,146)        |
| Payable to Dennis Family Corporation | (2,180)        |
| Accrued Expenses                     | (1,266)        |
| Employee entitlement provisions      | (1,380)        |
| Lease expense payable                | (819)          |
| Deferred tax liabilities             | (1,551)        |
| Make-good provision                  | (192)          |
| Maintenance & warranty provision     | (5,346)        |
| <b>Net liabilities assumed</b>       | <b>(1,344)</b> |

#### Goodwill arising on acquisition

|                                                                      |               |
|----------------------------------------------------------------------|---------------|
| Acquisition date fair value of total consideration to be transferred | 11,000        |
| Add: Fair value of identifiable net liabilities assumed              | 1,344         |
| <b>Goodwill arising on acquisition (Provisional)</b>                 | <b>12,344</b> |

#### Net cashflow from acquisition of subsidiary

|                                                    |              |
|----------------------------------------------------|--------------|
| Consideration paid in cash                         | (1,000)      |
| Cash and cash equivalent balances acquired         | 5,689        |
| Settlement per share purchase agreement            | (2,180)      |
| Settlement of contingent consideration             | (460)        |
| <b>Net cashflow from acquisition of subsidiary</b> | <b>2,049</b> |

DF Homes' revenue contribution to the Group results was \$62.664 million for the period 1 March 2025 till 30 June 2026.

### Consideration transferred

Acquisition-related costs of \$5.303 million are not included as part of the consideration for the acquisition and were recognised as transaction costs in the profit or loss statement.

### Identifiable net assets

The fair value of the trade receivables acquired as part of the business combination amounted to \$4.269 million. As of the acquisition date, the Group's best estimate was that this asset would be fully realised.

### Goodwill

Goodwill of \$12.344 million was primarily related to Group's growth expectations and cost synergies through DF Homes' resources including sales through this channel. The amounts recorded are provisional in nature.

### Contingent consideration

|             | 30 June<br>2025<br>\$'000 |
|-------------|---------------------------|
| Current     | 7,630                     |
| Non-current | 1,900                     |
|             | <b>9,530</b>              |

The contingent consideration arising from the acquisition of Dennis Family Homes Pty Ltd is linked to achievement of specific operational performance hurdles.

- Completion of jobs under construction: An agreed cash payment is payable upon settlement of existing jobs under construction and jobs started from the forward order book.
- Site start payment: An agreed cash payment is payable upon Base claim for every site start taken from within the acquired forward order book.

The fair value of the contingent consideration was estimated based on the probability of achieving future hurdles. The key inputs in the measurement include are management's forecast of job completion and new site starts (refer to note 36 for further information).

### Forward order book

The forward order book represents intangible asset relating to pipeline acquired for signed build contracts, preliminary agreements and sale leads.

The fair value of forward order book was estimated based on margins, site start values and other direct and indirect costs.

### 36. Fair value measurement

The fair value of the contingent consideration was estimated based on the probability-weighted estimated future cash outflows, based on the payment structure outlined in Note 35. In terms of fair value hierarchy, contingent consideration is classified as Level 3 based on unobservable inputs of the liability.

The key unobservable inputs in the measurement include are:

- Management's forecast of job completion and new site starts.
- Reasonable estimate of future cancellation rates based on historical information and other available information on hand.

Movements in the relation to contingent consideration during the financial year are set out below:

|                                | 30 June<br>2025<br>\$'000 |
|--------------------------------|---------------------------|
| Opening balance at acquisition | 10,000                    |
| Cash settlements               | (460)                     |
| <b>Closing balance</b>         | <b>9,530</b>              |

There were no fair value movements recognised in relation to contingent consideration during the financial year.

The estimated fair value would increase / (decrease) by \$0.450 million if cancellation rates were to move by 5%.

### 37. Subsequent events

There are no events that occurred subsequent to the reporting date that may significantly affect Group's operations, results or state of affairs in future periods.

## Consolidated entity disclosure statement

As at 30 June 2025

| Entity Name                              | Entity Type    | Body corporates              |                         | Tax residency         |
|------------------------------------------|----------------|------------------------------|-------------------------|-----------------------|
|                                          |                | Place formed or incorporated | % of share capital held | Australian or foreign |
| Simonds Homes Victoria Pty Ltd           | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds Homes NSW Pty Ltd                | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds Queensland Constructions Pty Ltd | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds SA Pty Ltd                       | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds WA Pty Ltd                       | Body corporate | Australia                    | 100%                    | Australian            |
| Madisson Homes Australia Pty Ltd         | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds Personnel Pty Ltd                | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds Assets Pty Ltd                   | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds IP Pty Ltd                       | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds Corporate Pty Ltd                | Body corporate | Australia                    | 100%                    | Australian            |
| Jackass Flat Developments Pty Ltd        | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds Land Development Pty Ltd         | Body corporate | Australia                    | 100%                    | Australian            |
| Bridgeman Downs Land Project Pty Ltd     | Body corporate | Australia                    | 100%                    | Australian            |
| Discover Developments Pty Ltd            | Body corporate | Australia                    | 100%                    | Australian            |
| Discover Gisborne Pty Ltd                | Body corporate | Australia                    | 100%                    | Australian            |
| Simonds DFH Pty Ltd                      | Body corporate | Australia                    | 100%                    | Australian            |