Emeco

Annual Report
2026

About this report

This Annual Report provides shareholders and other stakeholders with an overview of Emeco Holdings Limited (ASX: EHL) and its controlled entities (Emeco or the Group) for the financial year ended 30 June 2026. It outlines our financial and operational performance, strategic progress, governance framework, principal risks and opportunities, and our approach to sustainability and responsible business practices.

The report has been prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)*, Australian Accounting Standards and other applicable regulatory obligations. Unless otherwise stated, all references to FY26 relate to the 12-month period from 1 July 2025 to 30 June 2026, and all monetary amounts are presented in Australian dollars. Some figures in tables may not add due to rounding.

This report includes commentary on matters that are material to Emeco's ability to create and preserve value over the short, medium and long term. It contains both statutory and selected non-IFRS financial measures used by management to assess business performance. Reconciliations and explanations of non-IFRS measures are provided where relevant.

FY26 marked the Company's first year of mandatory climate-related financial disclosure under the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 (Cth) and the Australian Sustainability Reporting Standards. The Sustainability Report forms part of this Annual Report and sets out the Company's governance, strategy, risk management and metrics relating to climate-related risks and opportunities. Sustainability disclosures have been prepared with reference to the relevant reporting standards and regulatory requirements applicable during the reporting period. All GHG emissions data in this report are estimates, due to the inherent uncertainty in measuring or quantifying GHG emissions. Methodologies for measuring or quantifying GHG emissions may change or develop in the future. This Annual Report includes scenario analysis which has inherent limitations and does not constitute definitive outcomes. Scenarios are based on assumptions which may prove to be incorrect, or which may not reflect Emeco's own expectations.

Certain statements in this report are forward-looking in nature. These statements are based on information available at the date of publication and reflect Emeco's current expectations, assumptions and estimates. Actual outcomes may differ materially due to a range of factors. Forward-looking statements in this Annual Report are not guarantees or predictions of future performance, and involve both known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Investors are strongly cautioned not to rely on forward-looking statements and no representation or warranty is made by any person as to the likelihood of achievement of any forward-looking statements, forecast financial information or other forecast. Similarly, past performance should not be relied upon (and is not) as an indication of future performance.

Additional information about Emeco, including ASX announcements, investor presentations and corporate governance disclosures, is available at **www.emecogroup.com**.

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View our website for additional documents

Chairman's Letter

> *"Emeco has delivered bottom line earnings growth, strong operational cash flow and the strongest balance sheet the Company has had in a decade.*
>
> **Ian Macliver**
> Independent Non-Executive Chairman

Dear Shareholder,

On behalf of the Board, I am pleased to present Emeco's Annual Report for FY26.

Emeco has delivered bottom line earnings growth, strong operational cash flow and the strongest balance sheet the Company has had in a decade.

Emeco continues to strengthen its position as the leading rental and maintenance services platform for the mining sector. Our maintenance and technology offering is a key differentiator and driver of earnings growth. Additionally, the strength of Emeco's balance sheet provides further flexibility for inorganic growth or returns to shareholders.

Safety and People

The safety of our people continues to be our top priority. The Board supports management's ongoing efforts to strengthen safety systems and practices, learn from incidents, manage critical risks and foster a respectful, inclusive and accountable culture across all operations.

The Board also recognises that the performance of the Company is underpinned by the capability and commitment of its people. During the year, the Board continued to support initiatives aimed at strengthening leadership capability, building organisational depth, investing in training and maintaining a culture that empowers employees to deliver safe, reliable and high-quality outcomes for customers.

Financial Performance

Emeco delivered a sound financial and operational performance, with reported Net Profit After Tax (**NPAT**) of $76.7 million and Earnings Per Share (**EPS**) of 14.8 cents per share, an increase of 2% on FY25. Operating NPAT, excluding non-recurring items, was $89.0 million, an increase of 5% on FY25.

Free cash flow generation again proved a strength of the business, with operating free cash flow of $127.6 million (FY25: $114.3 million) and adjusted operating free cash flow of $114.5 million. Surplus cash was used to lower net debt which reduced further during the year to $127.1 million from $194.9 million at the end of FY25. Our leverage ratio improved to 0.43x compared to 0.65x in FY25.

Leverage is well below our long-term target of 0.5x to 1.0x, and Emeco now has less debt, greater liquidity and a longer-dated debt profile than at any point in recent years. Importantly, this strengthened position was achieved entirely from cash generated by the business.

Capital Management

In light of the strong balance sheet and robust cash generation, the Board has approved an on-market share buy-back of up to 10% of shares on issue. The Board believes the buy-back represents an attractive use of capital and an efficient means of returning surplus capital to shareholders while retaining flexibility to pursue strategic growth and potential acquisition opportunities. At current trading levels, the Board believes repurchasing the Company's shares represents an attractive deployment of capital and will enhance earnings per share and return on capital.

Chairman's Letter

Emeco continues to take a prudent and balanced approach to capital management, prioritising the sustainability of the business and the creation of shareholder value.

In December 2025 the Group refinanced its debt facilities, establishing a new $355 million syndicated revolving bank and guarantee facility maturing in December 2030 on improved pricing and conditions.

The Board maintained strict discipline over capital expenditure through the year. Growth capital expenditure was nil, consistent with the prior year, as the business focused on lifting utilisation of the existing fleet rather than expanding it.

Looking ahead, the Board will remain disciplined in balancing reinvestment in the business, opportunities to consolidate within a fragmented mining services equipment market, and the return of capital to shareholders. Lower leverage provides the ability to consider all three options simultaneously and on their own merits.

Sustainability

FY26 marked a significant milestone in Emeco's sustainability reporting. This is the Company's first year of mandatory climate-related financial disclosures under the Australian Government's new legislative framework and our Sustainability Report is included later in this report.

Emeco has committed to a long-term goal of net zero emissions by 2050. In the short and medium-term we are focused on reducing operational greenhouse gas emissions (Scope 1 and Scope 2) which remain low and predominantly relate to diesel used in company-operated light vehicles and equipment and electricity for operating our sites.

Governance and Risk

Over the course of the year, the Board remained focused on supporting management to deliver Emeco's strategy, maintaining capital discipline, strengthening the balance sheet, overseeing risk and governance frameworks, and ensuring the Company is well positioned to create sustainable long-term value for shareholders.

The Board and management remain aligned in upholding rigorous standards of corporate governance, risk management and ethical conduct across the Group. Transparency and accountability underpin the trust of our shareholders, customers, employees and the communities in which we operate, and they are the foundations for Emeco.

During the year, particular focus was given to:

- Operational and safety performance.
- Financial and balance sheet risks.
- A continued focus on cybersecurity and technology risk.
- Continued focus on succession planning and organisational capability.

FY26 also completed a period of renewal on your Board, with a number of notable changes. Mr Shaun Treacy joined as an Independent Non-Executive Director during the year and has assumed the chair of the Audit and Risk Management Committee, bringing more than thirty years of corporate finance and investment banking experience with particular depth in the mining sector. He succeeded Ms Sarah Adam-Gedge, who retired during the year. On behalf of the Board I thank Sarah for her valuable contribution as a director and as Committee chair. In May 2026, Mr James Scott also joined the Board as an Independent Non-Executive Director, bringing more than three decades of leadership across the industrial, technology and private equity sectors together with direct experience in mining services and heavy equipment. As Emeco's competitive position increasingly rests on technology and data as well as on fleet, that experience will serve the Company well.

Post year end, we were pleased to have agreed an extension of Mr Ian Testrow's contract as Managing Director and CEO to June 2031. The Board recognises Mr Testrow's operational leadership and contribution to Emeco's strategic repositioning. The new arrangements support continuity of leadership as Emeco executes the next phase of its corporate strategy, while increasing the proportion of remuneration subject to performance outcomes to further align with shareholder value creation.

Strategy and Outlook

We remain focused on our business strategy centred on three key pillars:

- Being the lowest cost, highest quality, technology-driven mining equipment rental provider.
- Building and maintaining a balanced and diversified portfolio of projects, customers, commodities and geographic regions.
- Exercising disciplined capital management.

The Board will continue to work closely with management to ensure that growth is pursued with discipline, capital is allocated to its highest value uses and shareholder returns remain a central consideration as the Company balances organic opportunities, selective acquisitions, partnerships and balance sheet flexibility.

Closing

On behalf of the Board, I would like to thank Ian Testrow and the management team for their leadership and disciplined execution during the year. We have an exceptional executive leadership team led by Ian and a strong team of industry experts executing on the strategy on a day-to-day basis.

I also extend my thanks to our employees for their ongoing commitment, to our customers, suppliers, financiers and community partners for their continued support, and to our shareholders for their confidence in Emeco.

Yours sincerely,

Ian Macliver
Chairman

Managing Director & CEO's Letter

> *"During the year, we continued repositioning Emeco from a predominantly rental business to a broader mining services platform encompassing equipment rental, maintenance, rebuilds, asset management and condition monitoring supported by our technology-enabled solutions. Our fully maintained service offering is increasing the value we provide customers which strengthens our relationships and project tenure, supports earnings growth and contributes to a higher-quality earnings profile over time.*

Ian Testrow
Managing Director & Chief Executive Officer

Dear Shareholder,

The strength of Emeco's diversified rental, maintenance and asset management platform enabled us to generate resilient earnings, strong cash generation and further balance sheet improvement in FY26.

Emeco delivered earnings growth with Operating EBIT of $148.0 million, an increase of 2% on FY25 and generated $127.6 million of operating free cash flow and $114.5 million of adjusted operating free cash flow. The Company further strengthened the balance sheet reducing leverage to 0.43x. The Company's Return On Capital (ROC) was up 30bps to 16.9%.

Evolving business model built for growth

During the year, we continued repositioning Emeco from a predominantly rental business to a broader mining services platform encompassing equipment rental, maintenance, rebuilds, asset management and condition monitoring supported by our technology-enabled solutions. Our fully maintained service offering is increasing the value we provide customers which strengthens our relationships and project tenures supports earnings resilience and contributes to a higher-quality earnings profile. It is also creating a more diversified and less capital-intensive earnings base, supporting improving returns on capital and delivering strong cash flow.

Over the past four years we have delivered:

- Strong operating cash flow and high cash conversion with total free cash flow from operating activities of over $350 million.
- Continued improvement in return on capital of 370 basis points to 16.9%.
- Further reduction in balance sheet leverage from 1.10x to 0.43x.
- Significant growth in our maintenance services with revenue up 40% and earnings doubling.

Our strengthened balance sheet provides capacity to selectively evaluate acquisition and consolidation opportunities, consider future investment in fleet as well as consideration of returns to shareholders.

Demand for Emeco's fully maintained rental, asset management and maintenance solutions remains strong. Our scale, workshop network and integrated service offering continue to position the business well across key mining regions.

Managing Director & CEO's Letter

Our people come first

The capability and commitment of our people, from apprentices through to our most senior technicians and leadership, underpins our performance. We continue to invest significantly in our workforce through training, safety initiatives and the development of a culture to deliver the best outcomes for our customers.

Our apprenticeship program is a vital part of our talent pipeline and also for our industry. We had 61 apprentices training with us in FY26 (FY25: 64). We also continued our Community Grants program, which enables our employees to nominate local groups for support with 25 philanthropic events supported. We believe promoting diversity and inclusion is both the right thing to do and essential to meeting the changing needs of our business. At the end of FY26, women represented approximately 13% of our employees and around 2% of our people self-identified as being of First Nations heritage (FY25: 12% and 4% respectively). We acknowledge that our industry has historically low female participation, and we remain focused on making Emeco a workplace where women can build rewarding careers through flexible work arrangements, targeted recruitment and career development support.

Through our Health, Safety, Environment and Training (**HSET**) Strategic Plan, we continue to strengthen our safety systems and practices, working closely with our customers, partners and contractors. Our goal remains a zero-harm workplace, and the active engagement of every Emeco employee is essential to achieving it. Our safety performance in FY26 reflected both the ongoing commitment of our teams and the need to remain vigilant in managing critical risks. During the year, we recorded one Lost Time Injury (**LTI**), a reminder that there are always further improvements to ensure the safety of our people. Our Total Recordable Injury Frequency Rate (**TRIFR**) improved from 3.4 in FY25 to 2.3 in FY26, reflecting continued progress in identifying risks, learning from incidents and driving ongoing improvement in workplace safety. We remain focused on embedding necessary improvements, supporting our people and maintaining safety as our highest priority.

Emeco maintained its commitment to sustainable business practices with FY26 being Emeco's first year of mandatory climate-related financial disclosures with our Sustainability Report separately provided in this report. Meeting this new reporting obligation for the first time absorbed considerable effort across our finance, technology and operations teams, and I want to acknowledge that work. Consistent with the position we set out last year, our Scope 3 emissions materially outweigh our operational emissions, and quantifying them accurately remains a focus of this program.

Operational discipline delivering results

A key focus throughout the year has been maintaining strict capital discipline and cost control. We have prioritised:

- Efficient deployment and redeployment of our fleet.
- Nil growth capital expenditure, with investment directed toward sustaining and optimising existing assets.
- Focus on promoting our maintenance service offerings together with our rental equipment and on a standalone basis.
- Ongoing cost efficiency initiatives across the business.

Rental

Our rental business delivered a 4% increase in revenue to $637.0 million driven by growth in on-site maintenance services which increased 44%. Rental demand remained strong throughout the first half across all operating regions, particularly in gold, iron ore and coal. However, the geopolitically driven supply and cost challenges impacting the mining sector and extended wet weather in Queensland in the second half impacted fleet utilisation and redeployment.

Surface fleet gross utilisation averaged 82% and underground utilisation was 67%. Rental Operating EBIT improved 2% to $183.9 million with a high proportion of variable costs allowing the business to respond quickly to changes to revenue and to adjust its cost-base accordingly.

We continue to benefit from miners and contractors seeking flexible, capital-efficient equipment solutions supported by our fleet scale, maintenance capability and integrated service model. Our new project pipeline, underpinned by a stable production outlook, will drive increased utilisation which is forecast to be ~90% for surface and ~80% for underground by the end of FY27. Additionally, our maintenance and technology offering continues to be a key differentiator and driver of earnings growth.

Force

Force remains a critical component of Emeco's business, providing cost-saving rebuild capability and an advantage over competitors as customers increasingly seek integrated equipment and maintenance solutions. The Force teams ensure the Group delivers capital-efficient rebuilds of mid-life equipment and provide a cost and quality edge that supports rental performance.

Force delivered total revenue of $276.8 million, a 1% increase on FY25. Internal revenue was $121.0 million, an increase of 17% on FY25, while external revenue declined 8% to $155.8 million with capacity utilised to focus on internal rebuild works.

Force completed 143 major machine rebuilds and 983 component rebuilds for Emeco and external clients, compared with 137 and 996, respectively in FY25, demonstrating the strength and throughput of our workshop network.

Managing Director & CEO's Letter

In FY27, the Fortescue and XCMG program will commence with the delivery of four battery-electric prototype assets for testing and support trials to be assisted by our Force maintenance service team. Fortescue is set to increase this to a total of 110 assets by early 2029. In preparation, Force have upskilled 14 personnel in high voltage mobile plant and battery-electric vehicle training. This is expected to increase to 60-70 trained technicians by 2029. This provides Force with a first-mover advantage in battery-electric services and positions the business well to support Chinese OEMs within the Australian mining industry.

Technology

Emeco continued to invest in technology and systems that enhance fleet performance, strengthen our capabilities and open new avenues to deepen customer engagement. In FY26, the Company advanced the build of its new ERP system, Microsoft Dynamics 365 (D365). The system is now in the final stages of testing, with rollout targeted for late in the 2026 calendar year. This modern enterprise system will improve asset management, maintenance scheduling and overall operational efficiency once fully implemented.

Additionally, we continued to invest in our operational technology (OT) initiatives, including in-field digitalisation and a fleet health monitoring capability. This uses onboard sensors and telemetry, combined with AI and machine learning, to support predictive maintenance and reliability. Emeco now has in-house telemetry across more than 200 machines and has developed AI-enabled reliability solutions that it continues to develop. We are focused on advances that extend equipment life, reduce emissions and limit failures that hinder component reuse. These improvements reinforce fleet durability and the circular, capital-efficient basis of its mid-life asset model. Emeco's proprietary Emeco Operating System (EOS) further supports this by providing real-time fleet performance and utilisation data.

These technology investments, while modest in capital cost, are expected to yield benefits in future years including improved fleet uptime, maintenance optimisation and customer service, further strengthening Emeco's fleet capabilities.

Growth Strategy

Emeco enters FY27 with a strong operating platform, high-quality customer base, low leverage, solid cash generation and a growing maintenance service offering providing confidence in the resilience of the business moving forward.

We will continue to build a high-return business through:

- Increasing fleet utilisation.
- Growth in fully maintained rental projects.
- Expansion of maintenance services offering.
- Continuing to build Emeco's competitive advantage - improving cost and operational performance, and further digitisation of the business.
- Opportunistic and attractive sector consolidation.

We continue to actively assess acquisition and strategic opportunities that complement the existing rental, maintenance, rebuild and asset management capabilities, while maintaining a disciplined approach to capital allocation.

Outlook

FY27 earnings are expected to be in line with FY26, with a weighting to the second half. We have already secured redeployment opportunities for a material portion of the fleet coming off completed projects and our new project pipeline will drive increased utilisation forecast to be ~90% for surface and ~80% for underground by the end of FY27.

We will continue to expand our maintenance service platform to drive growth and diversification. With the strength of our balance sheet, we will continue to pursue opportunistic and attractive growth opportunities including sector consolidation.

In FY28, we expect the utilisation run-rate to deliver earnings growth in line with our 20% ROC target.

Emeco's business model, combined with our position as Australia's largest provider of mining equipment rental with integrated maintenance services, continues to deliver strong financial and operational performance. We have a high-quality customer base and diversified exposure across commodities and regions. The work we have done over the past few years to improve our operations, reduce costs and strengthen the balance sheet sets the foundation for growth.

I would like to thank the Emeco Board for their expert guidance, the entire Emeco team across all our operations for their dedication to the business, our customers for their continued loyalty and partnership, and acknowledge the support of our suppliers, financiers and community partners and our shareholders.

Yours sincerely,

Ian Testrow
Managing Director &
Chief Executive Officer

> *"Emeco's business model, combined with our position as Australia's largest provider of mining equipment rental with integrated maintenance services, continues to deliver strong financial and operational performance. We have a high-quality customer base and diversified exposure across commodities and regions. The work we have done over the past few years to improve our operations, reduce costs and strengthen the balance sheet sets the foundation for growth.*

Financial year 2026 highlights

Year at a Glance

Revenue

2026	$792.8m
2025	$785.4m

1%

Operating Free Cashflow (2)

2026	$114.5m
2025	$114.3m

Stable

Operating EBIT (1)

2026	$148.0m
2025	$145.7m

2%

Operating EBIT margin

2026	18.7%
2025	18.6%

10bps

Return on capital (ROC) (1)(3)

2026	16.9%
2025	16.6%

30bps

Operating NPAT (1)

2026	$89.0m
2025	$84.5m

5%

Net leverage (1)(4)

2026	0.43x
2025	0.65x

0.22x

Earnings per share (5)

2026	14.8c
2025	14.5c

2%

(1) Operating financial metrics are non-IFRS measures. Refer to Table 2: Statutory to operating results reconciliation in the Operating & Financial Review.
(2) Operating free cash flow before growth capex and adjusted for sale and leaseback and timing of interest payments and new debt facility establishment costs. Refer to Table 5: Free Cash Flow Summary (Operating basis) in the Operating & Financial Review.
(3) Return on capital calculated as Operating EBIT over average capital employed.
(4) Net debt / Operating EBITDA (excludes supply chain funding).
(5) Basic EPS based on Statutory Net Profit After Tax.

Financial year 2026 highlights

Emeco customer and revenue profile

Emeco maintains strong relationships with its high-quality customer base, across a range of commodities and geographies, with strong demand for our fully maintained project solutions.

Diversified revenue base with strong credit profile

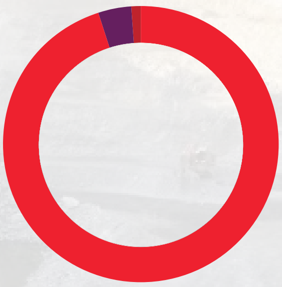
Revenue by commodity [(1)]

Gold	33%
Met coal	30%
Iron ore	9%
Copper	4%
Thermal coal	19%
Other	5%

Revenue by top 10 customer [(1)]

Customer 1	23%
Customer 2	13%
Customer 3	8%
Customer 4	6%
Customer 5	5%
Customer 6	5%
Customer 7	4%
Customer 8	3%
Customer 9	3%
Customer 10	3%
Other customers	27%

Quality of customer type [(1)]



Blue-chip and insured	95%
Partially insured	4%
Uninsured	1%

Customer by service type [(2)]

Rental	50%
Workshops	30%
On-Site Maintenance	20%

(1) Calculated based on FY26 reported external revenue.
(2) Calculated based on FY26 gross revenue which includes internal and external revenue.

For more than 50 years, Emeco has been a trusted partner to Australia's mining operators.

Our legacy of innovation, technology, strategic investment in our people and capability, and commitment to client success have made us the partner of choice for mining operators across Australia.

Financial year 2026 highlights

Emeco's strategic pillars

Emeco's strategic pillars ensure a sustainable and resilient business and the creation of long-term value for shareholders

01 Be Australia's lowest cost, highest quality, technology-driven mining equipment rental provider

- Enhance Emeco's core capabilities in equipment rental through technology.
- Develop Emeco's skilled workforce, rebuild capability and strategic workshop network.
- Leverage Emeco's position as the largest provider of rental equipment to the mining sector.

02 Grow a balanced and diversified portfolio

- Target a balanced portfolio by service offering, customer, project, commodity and region.
- Maintain flexibility to service a broad range of customers and sectors via a highly diversified fleet portfolio and maintenance service offering.
- Achieve ESG priorities and support the energy transition.

03 Deliver strong shareholder returns through disciplined capital management

- Target net debt / EBITDA range between 0.5 - 1.0x to provide flexibility.
- Disciplined capital allocation to maintain free cash flow and target 20% ROC.
- Retain flexibility to reinvest in the business, pursue inorganic growth or return capital to shareholders.

Financial year 2026 highlights

Our scale and competitive advantage

Our rental portfolio and mid-life asset rebuild capability, supported by our national workshop network and asset management technology, continues to give Emeco a cost and quality advantage that differentiates the Company from its competitors.

950+

Employees

~275

Projects

200

Machines with active telemetry

200+

Customers

Financial year 2026 highlights

Rental

Emeco

Australia's largest provider of open cut rental equipment and value-added services

840

Fleet size

Workshops

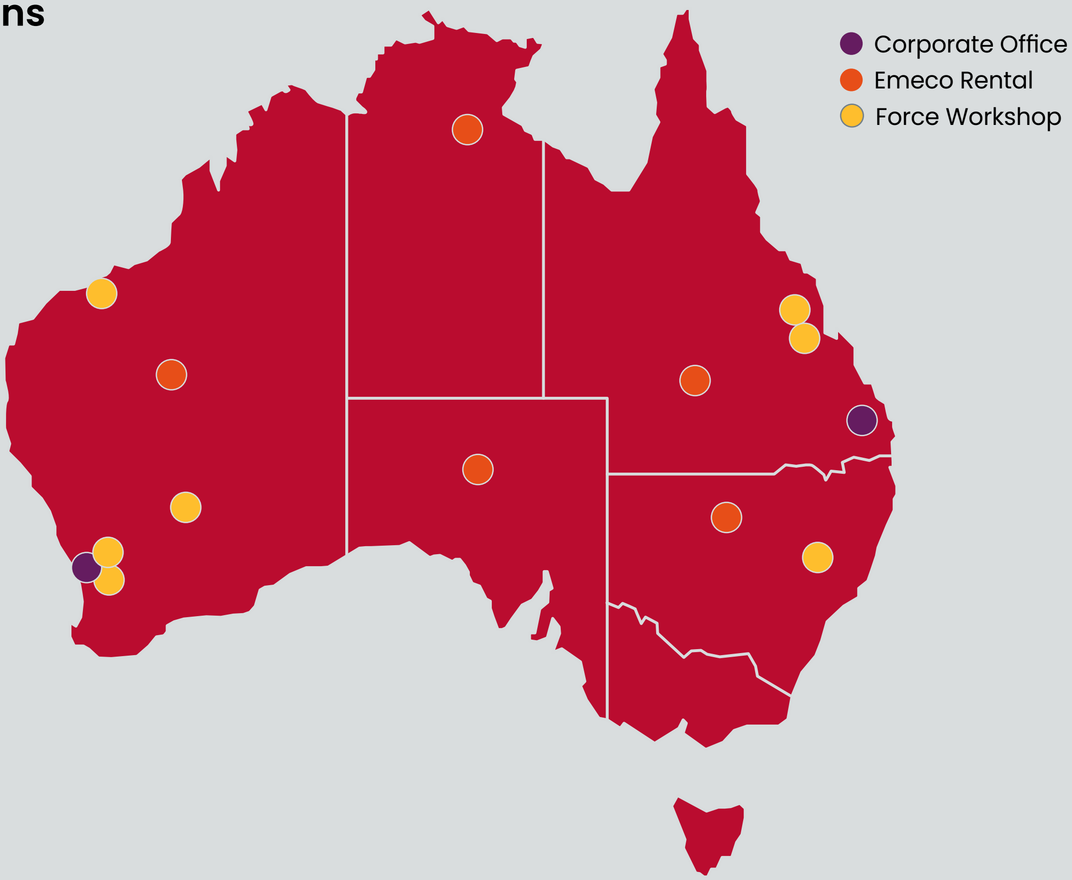
Force by Emeco

Mining equipment maintenance and rebuild service provider – component and asset rebuild and fabrication

7

Workshops across Australia

Locations

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Operating & Financial Review

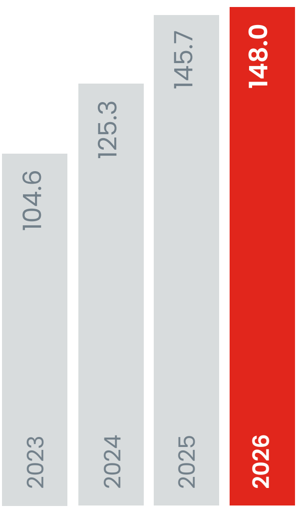
Operating & Financial Review

Group highlights

Four year financial performance

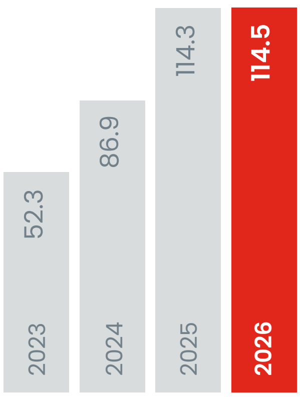
Operating EBIT (3)

42%(1)



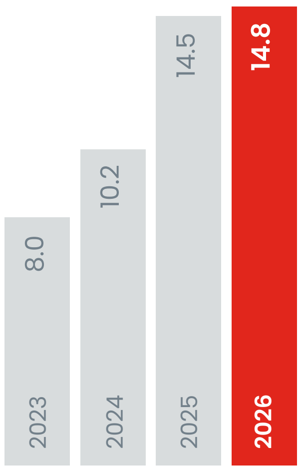
Operating Free Cashflow (3)(4)

119%(1)



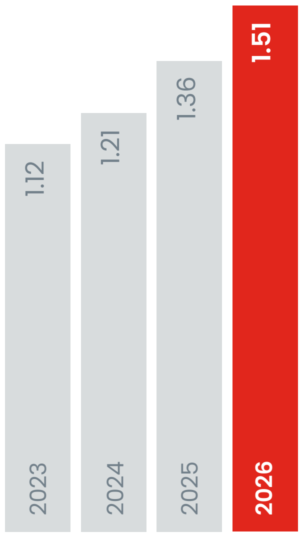
Earnings per share

85%(1)



Net Tangible Assets

35%(1)



$m (Unless otherwise stated)	FY23	FY24	FY25	FY26	1 Year % Change
Revenue (2)	874.9	822.7	785.4	792.8	1%
Operating EBITDA (3)	250.4	280.5	301.1	292.5	(3%)
Operating EBITDA margin (%)	28.6%	34.1%	38.3%	36.9%	(140bps)
Operating EBIT (3)	104.6	125.3	145.7	148.0	2%
Operating EBIT margin (%)	11.9%	15.2%	18.6%	18.7%	10bps
Operating NPAT (3)	59.1	69.4	84.5	89.0	5%
Return on capital (5) (%)	13.2%	14.9%	16.6%	16.9%	30bps
Operating Free Cashflow (3)(4)	52.3	86.9	114.3	114.5	-
Net Leverage (6) (x)	1.10x	1.00x	0.65x	0.43x	0.22x
Earnings per share (7) (cents/share)	8.0	10.2	14.5	14.8	2%
Net Tangible Assets ($/share)	1.12	1.21	1.36	1.51	11%

(1) Calculated on four-year % change.
(2) Includes discontinued underground contract mining services revenue.
(3) Operating financial metrics are non-IFRS measures. Refer to Table 2: Statutory to operating results reconciliation in the Operating & Financial Review.
(4) Operating free cash flow before growth capex and adjusted for sale and leaseback and timing of interest payments and new debt facility establishment costs. Refer to Table 5: Free Cash Flow Summary (Operating basis) in the Operating & Financial Review.
(5) Return on capital calculated as Operating EBIT over average capital employed.
(6) Net debt / Operating EBITDA (excludes supply chain funding).
(7) Basic EPS based on Statutory Net Profit After Tax.

Operating & Financial Review

Group Financial Performance

The defining achievements of the year were financial. Emeco refinanced its debt facilities on materially improved terms, redeemed its $250 million Australian Medium-Term Notes six months ahead of maturity, and reduced net leverage from 0.65x to approximately 0.43x — the strongest balance sheet position the Company has held in a decade. Operating free cash flow had funded the Group's sustaining capital programme and interest costs, with the surplus applied to further debt reduction.

Emeco also continued to reshape the composition of its revenue base. Maintenance services now account for approximately half of gross revenue and continues to grow, alongside fully maintained rental projects including work on customer-owned fleets. This is a deliberate strategic shift toward earnings that require materially less capital than fleet expansion, and it is central to the Company's Return on Capital objective.

However, the geopolitically driven supply and cost challenges impacting the mining sector and extended wet weather in Queensland in the second half impacted fleet utilisation and redeployment. Delivering earnings growth and generating strong free cash flow against this backdrop reflects the resilience of the business model and the durability of the cost improvements delivered over the past two years.

The Company delivered a resilient financial performance, with steady bottom line earnings growth, solid cash generation and further improvement in balance sheet leverage and return on capital. Group revenue grew to $792.8 million, Operating EBITDA of $292.5 million and Operating EBIT of $148.0 million were in line with the guidance issued to the market on 18 June 2026 of Operating EBITDA of $290–295 million and Operating EBIT of $145–150 million.

Operating EBIT margin remains in line with FY25 at 19% and Operating EBITDA margin of 37% compares with 38% in FY25. The movement is predominantly attributable to revenue mix rather than to pricing or cost performance: maintenance services carry lower percentage margins than equipment rental but require materially less capital and are accretive to returns.

Net interest costs of $21.4 million were 15% lower than the previous year, mainly due to lower average debt levels across the year.

The business continued to deliver bottom line growth with Operating NPAT of $89.0 million (5% increase) and Statutory NPAT of $76.7 million (2% increase).

Group revenue of $792.8 million increased by 1% in FY26, driven by the growth in maintenance services, particularly on-site maintenance services through the Rental segment which grew by 44% year-on-year. This was partially offset by rental revenue which was driven by lower fleet utilisation caused by wet weather and timing delays in fleet mobilisation in the second half of the year. Despite these challenges, underlying demand across key commodity markets remained generally resilient, supporting continued activity across the Group's core customer base.

Growth in our maintenance services offering continued to drive earnings and ROC growth. Whilst fleet utilisation levels were lower in the second half, depreciation was also lower and costs were carefully managed to minimise the financial impacts of wet weather and geopolitical events.

Emeco's Return on Capital (ROC) continued its positive trajectory, increasing to 16.9% in FY26 from 16.6% in FY25, driven by higher Operating EBIT and a well-controlled capital base. Basic earnings per share increased by 2% to 14.8 cents per share, reflecting higher reported NPAT.

These results underscore the Group's competitive strengths and robust business model.

Table 1: Group Financial Results (Operating vs Statutory)

$ millions	Operating FY26	Operating FY25	Statutory FY26	Statutory FY25
Revenue	$792.8	$785.4	$792.8	$785.4
EBITDA	$292.5	$301.1	$275.9	$288.6
EBIT	$148.0	$145.7	$130.3	$132.2
NPAT	$89.0	$84.5	$76.7	$75.1
ROC %	16.9%	16.6%	14.4%	14.4%
EBIT margin %	18.7%	18.6%	16.4%	16.8%
EBITDA margin %	36.9%	38.3%	34.8%	36.7%

Notes:
- Operating results exclude significant non-recurring or non-cash items.
- In FY26, these adjustments included further costs of the ERP implementation, defence costs, restructuring, asset impairments and share-based incentive expenses.

Operating & Financial Review

- ROC = Return on Capital, calculated as Operating EBIT over average capital employed.

Table 2: FY26 Statutory to operating results reconciliation

	FY26			FY25		
$m	**EBITDA**	**EBIT**	**NPAT**	**EBITDA**	**EBIT**	**NPAT**
Statutory Result	275.9	130.3	76.7	288.6	132.2	75.1
Tangible asset impairments	-	1.1	1.1	-	1.0	1.0
Long term incentive program	2.5	2.5	2.5	2.7	2.7	2.7
Restructuring expenses	1.3	1.3	1.3	3.3	3.3	3.3
ERP implementation costs	8.6	8.6	8.6	6.4	6.4	6.4
Company defence costs	3.5	3.5	3.5	-	-	-
(Gain)/loss on asset sale	0.6	0.6	0.6	-	-	-
(Gain)/loss on lease modification	-	-	-	0.2	0.2	0.2
Tax effect of adjustments	-	-	(5.3)	-	-	(4.3)
Operating result	292.5	148.0	89.0	301.1	145.7	84.5

Figures may not add due to rounding.

Operating results are non-IFRS measures and exclude the following:

- Tangible asset impairments: Totalling $1.1 million in FY26 (FY25: $1.0 million) recognised on assets no longer fit for purpose.
- Restructuring costs: FY26 restructuring costs of $1.3 million related to overhead reductions across the Group. In FY25, they related to a major redundancy programme totalling $3.3 million.
- ERP costs: $8.6 million in ERP costs (FY25: $6.4 million).
- Loss on sale of assets of $0.6 million (FY25: nil).
- Tax effect of adjustments: notional tax on above adjustments at 30%.

Segment Performance

Emeco's operating segments for FY26 have been consolidated into two key segments: Rental and Force Workshops. Key segment highlights include:

- Rental (Surface and Underground Equipment): The core Rental business delivered a stable result for the year. Revenue increased 4% to $637.0 million, driven by growth in on-site maintenance services (increasing 44%), offsetting lower fleet utilisation levels which were impacted by second half wet weather and geopolitical disruptions which deferred timing of fleet redeployments to customers. Average gross utilisation of the surface rental fleet remained broadly stable at 82% across the year. However, operational utilisation (hours invoiced) was lower by ~6%. Underground fleet gross utilisation improved to 67% as equipment was deployed across new underground projects. Rental Operating EBIT was higher year on year, with the growth in maintenance services exceeding the earnings impacts from lower utilisation levels. A high proportion of variable costs allows the business to respond quickly to changes to revenue and to adjust its cost base accordingly. Operating EBITDA was slightly lower year-on-year at $320.6 million.
- Force Workshops (Maintenance and Rebuilds): Force delivered total revenue of $276.8 million, a 1% increase on FY25. External revenue was lower by 8% at $155.8 million, however, capacity was utilised to focus on internal rebuild works with internal revenue increasing 17% to $121.0 million. Force remains a critical component of Emeco's business, providing cost saving rebuild capability and an advantage over competitors. Force completed 143 major machine rebuilds (FY25: 137) and 983 component rebuilds (FY25:996), internal and external combined, supporting fleet reliability, capital-efficient rebuilds of mid-life equipment and diversified maintenance income. Gross Operating EBITDA and EBIT were up on FY25, 4% and 6% respectively. External Operating EBIT of $5.9 million was down due to the higher proportion of internal rebuilds.

Operating Costs and Margins

A key focus throughout FY26 was maintaining strict cost control as we navigated the shifting needs of our customers. These actions helped contain the impact of lower utilisation levels, changes in activity mix, customer timing delays and ongoing inflationary pressures. Table 3 below summarises the Group's operating cost profile on an operating results basis:

Table 3: Operating cost summary (operating results)

$ millions	FY26	FY25
Revenue (including other income)	797.1	788.8
Operating expenses:		
Repairs and maintenance	(106.0)	(107.9)
External mining & maintenance services	(218.3)	(198.0)
Employee expenses	(64.7)	(69.6)
Hired-in equipment and services	(52.3)	(42.8)
Cartage and fuel	(21.6)	(23.4)
Net other expenses	(41.7)	(46.0)
Operating EBITDA	292.5	301.1
Depreciation and amortisation	(144.5)	(155.4)
Operating EBIT	148.0	145.7

Repairs and maintenance (R&M) costs of $106.0 million were $1.9 million lower than the prior year (FY25: $107.9 million), in line with the reduction in rental fleet utilisation in the second half. Emeco continues to optimise its mid-life asset maintenance strategy to minimise cost per hour without compromising reliability.

External mining and maintenance services expenses increased by $20.3 million from $198.0 million in FY25, driven primarily by the growth in maintenance services, partially offset by the increased use of internal workshop services.

Employee expenses were lower at $64.7 million, compared with $69.6 million in FY25, reflecting reductions in regional and corporate overheads.

Hired-in equipment expenses increased by $9.5 million to $52.3 million, enabling us to maintain service levels and customer continuity across projects while limiting opportunities for competitor participation.

Cartage and fuel costs reduced to $21.6 million (FY25: $23.4 million) broadly in line with lower activity levels and fleet utilisation during the second half of the year.

Non-operating items totalled $17.7 million (FY25: $13.5 million), including ERP spend of $8.6 million (FY25: $6.4 million), $2.5 million in share-based payments (FY25: $2.7 million), $1.3 million in restructure costs (FY25: $3.3 million), $0.6 million in loss on assets and asset write-downs of $1.1 million (FY25: $1.0 million). In addition, one-off defence costs of $3.5 million were incurred in the year.

Capital Expenditure and Fleet Management

Investment in Fleet and Capital Expenditure

Emeco maintained its disciplined approach to capital investment, centred on its mid-life equipment model and focused on improving returns, cash flow and balance sheet strength. During FY26, the Company prioritised maximising returns from its existing fleet.

Total capital expenditure in FY26 was limited to essential sustaining spend, consistent with Emeco's guidance. Net stay-in-business capex totalling $153.2 million net of disposals (FY25: $149.2 million) and was directed towards replacement of major components, including engines and transmissions, and mid-life overhauls across the fleet to maintain equipment reliability and performance.

Emeco continues to actively manage its fleet portfolio to meet customer demand and optimise returns. The Company regularly reviews fleet composition, identifies underutilised or non-core assets for divestment, and routinely disposes of assets that have reached the end of their natural lives. In FY26, assets with a written-down value of $20.0 million were classified as held for sale, compared with $8.5 million in FY25.

Table 4: Equipment Fleet Composition (Balance sheet values)

$ millions	**FY26**	**FY25**
Equipment fleet (at WDV)	814.3	803.9
Right-of-use assets - equipment	73.2	44.2
Assets held for sale	20.0	8.5

Notes:

- Written Down Value (WDV) of equipment fleet includes deployed rental fleet, support equipment, capital work in progress and component inventory.
- Assets held for sale are those identified for disposal, either because they are surplus to requirements or obsolete.

The Group's rental fleet, including surface and underground equipment, comprises 840 major equipment units, making it one of the largest mining equipment fleets in Australia.

Emeco's workshops division supports this utilisation by minimising downtime through the Company's strategic network of rebuild workshops across key mining regions, including Perth, Kalgoorlie and Mackay, and through in-field maintenance service provision. This enables quick turnarounds and high mechanical availability of fleet.

Operating & Financial Review

Cash Flow

Capital Management and Leverage

The business continued to deliver strong cash generation in FY26, supported by disciplined working capital and cost control. Operating free cash flow was $127.6 million after net sustaining capex of $153.2 million and adjusted free cash flow was $114.5 million (see table below). EBITDA to operating cash flow conversion remained strong at 108% for the year.

Operating free cash flow funded maintenance capex requirements and interest costs, with remaining cash directed to debt reduction, further strengthening the Company's balance sheet.

The table below outlines the Group's cash flow movements (operating cash flow and free cash flow) on an operating results basis:

Table 5: Free Cash Flow Summary (Operating basis)

$ millions	FY26	FY25
Operating EBITDA	292.5	301.1
Net movement in working capital	18.5	(12.7)
Net sustaining capital expenditure (incl. componentry)	(148.7)	(154.1)
Acquisition/usage of component inventory	(4.5)	4.9
Net finance costs (cash interest paid)	(30.2)	(24.9)
Operating free cash flow (pre-growth capex)	127.6	114.3
Adjusted for sale and leaseback and timing of interest payments	(13.2)	-
Adjusted operating free cash flow	114.5	114.3

Note:

- Figures may not add due to rounding.

Net interest paid was $30.2 million, higher than FY25 due to timing of interest payments which included brought forward interest payments. Early redemption of the AMTN in combination with higher frequency debt rollovers, resulted in cash interest paid exceeding interest expense for the period. This will normalise in future reporting periods. Emeco's interest costs remain well covered, at 9.7x, or 13.7x adjusting for brought forward interest payments. Emeco continued to suspend its capital management programme during the year, with no dividends or buy-backs in FY26. This approach yielded a significantly stronger leverage and liquidity position at 30 June 2026.

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Table 6: Net Debt and Gearing Summary

$ millions	30 June 2026	30 June 2025
Interest-bearing debt – Secured Notes (AUD)	-	250.0
Interest-bearing debt – Syndicated Revolving Credit Facility	160.0	-
Lease liabilities and other financing	92.5	71.3
Total debt	252.5	321.3
Cash and equivalents	125.4	126.4
Net debt	127.1	194.9
Net leverage (Net Debt / Op. EBITDA)	0.43x	0.65x
Interest cover (Op. EBITDA / Net cash interest)	9.7x	12.1x
Interest cover (Op. EBITDA / Adj net cash interest)	**13.7x**	**12.1x**

In late 2025, the Group refinanced its main debt facilities, establishing a new 5-year $355 million syndicated revolving bank and guarantee facility.

Net debt of $127.1 million reduced by $67.8 million during the period.

Following the refinancing undertaken in December Moody's retained a credit rating of Ba3 with a stable outlook.

The Company refinanced the Medium Term Note that was due in July 2026 electing for an early redemption.

The Company's liquidity position of $315.4 million included $190.0 million in undrawn revolving credit facilities and over $125.4 million in cash, providing flexibility for, capital management options or future strategic acquisitions or investments. The maturity date of the Company's debt facility is as follows:

- Revolving syndicated debt facility: $350 million maturing on 10 December 2030, $190 million undrawn at 30 June 2026.

The Group has a strong balance sheet, with leverage improving from 0.65x EBITDA in FY25 to 0.43x in FY26, well below the Company's target of 0.5x - 1.0x.

On-market share buy-back

In light of the strong balance sheet and robust cash generation, the Board has approved an on-market share buy-back of up to 10% of shares on issue. The Board believes the buy-back represents an attractive use of capital and an efficient means of returning surplus capital to shareholders while retaining flexibility to pursue strategic growth and potential acquisition opportunities.

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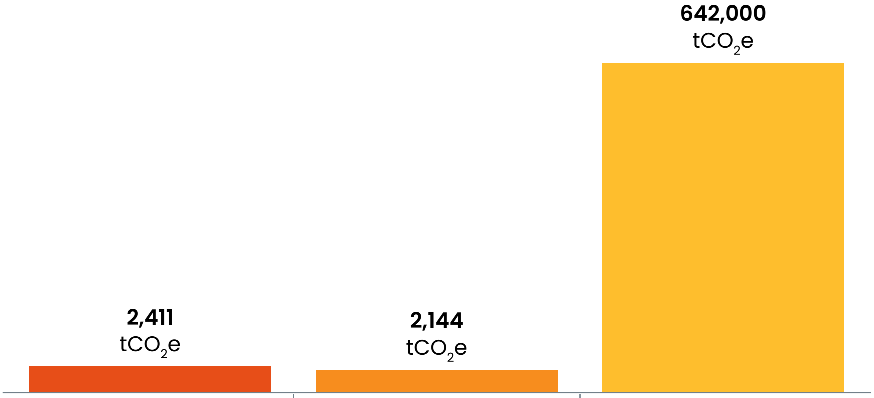
FY26 Sustainability report

FY26 GHG emissions (tCO_2e)



Scope 1

Emissions primarily from LMV fleet diesel

Scope 2

Emissions primarily from purchased electricity

Scope 3

Emissions primarily from:

- Rental fleet diesel
- Manufacture of components

Targets and goal

Short-term target

Replace 10% of the LMV fleet with more efficient, lower emission vehicles in FY27.

Medium-term target

Reduce our Scope 1 and Scope 2 emissions by at least 85% by FY35.

Long-term goal

Achieve net zero emissions across the value chain by 2050.

Climate-related Highlights

- Emeco's Board discussed, and approved, our short- and medium-term targets and committed to a long-term net zero emissions (NZE) goal for 2050.
- Continued our commitment to the circular economy with 143 major machine rebuilds in our Force workshops.
- Progressed recruitment, training and upskilling of our Force team to support the growth of electric mining fleet in Australia.
- Added an additional 42 higher efficiency / lower emission vehicles to our light motor vehicle fleet.
- Undertook a pre-assurance review with an external climate change expert to assess Emeco's readiness for mandatory reporting under the AASB S2 *Climate-related Disclosures*. Based on the review outcomes, we undertook a comprehensive work program to ensure compliance with AASB S2.
- Assessed climate change risks and opportunities as part of the Enterprise Risk Framework.
- Progressed the definition of our Scope 3 boundaries and the accuracy of the emissions data.
- Elevated climate change risks, opportunities and disclosures in Board and Committee discussions.
- Conducted director training on climate change matters.
- Engaged with key suppliers and customers in our value chain to identify greenhouse gas emissions mitigation opportunities.
- Deloitte conducted a limited assurance review of the Company's Sustainability Report.

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1. Basis of preparation

Emeco is a liable entity under the legislation underpinning mandatory climate-related financial disclosures in Australia – the T*reasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* (Cth) - and the new Australian Accounting Standards Board's (AASB's) S2 *Climate-related Disclosures*.

This report includes our first mandatory climate change disclosures for Emeco Holdings Limited (Emeco or Company) and its controlled entities (Group) for the financial year ended 30 June 2026 (FY26). Climate-related financial information is presented in Australian dollars, unless otherwise stated.

The identification and assessment of climate-related risks and opportunities were considered using reasonable and supportable information available. The estimation of anticipated financial effects is influenced by the assumptions and investments underpinning Emeco's long-term plans. We expect this information to evolve over time in line with Emeco's strategy.

Our emissions reporting complies with the World Resources Institute (WRI) and World Business Council for Sustainable Development's (WBCSD)'s *Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* (2015), *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (2013) and the T*echnical Guidance for Calculating Scope 3 Emissions (version 1.0)*. This approach is consistent with reporting from previous years as set out in this report.

Emeco has adopted the GHG Protocol's control approach, whereby it accounts for 100 percent of the GHG emissions from operations over which it has control.

For Scope 1, Scope 2 and Scope 3 Category 13 – Downstream leased assets, we have used emissions factors for the relevant years from the National Greenhouse Accounts (NGA) Factors published by the Commonwealth Department of Climate Change, Energy, the Environment and Water. The most recent NGA Factors 2025 can be found at https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2025.

For Scope 2 emissions, the quantity of electricity purchased or acquired is estimated from purchase records and vendor-provided meter readings. The quantities purchased or acquired are multiplied by the relevant location-based emission factors from the *NGA Factors* handbook.

For Scope 3 Category 1 – Purchased goods and services and Category 2 – Capital goods, we have used emissions factors from the *US EPA – Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities* (Note 1).

Although disclosure of Scope 3 GHG emissions is not required for this Sustainability Report under AASB S2, Emeco has elected to provide estimates of its material Scope 3 emissions on a voluntary basis.

We have considered the definition of materiality in AASB S2. Given our very low operational emissions, we have set a materiality threshold of 200 tonnes CO_2e by source for Scope 1 and Scope 2 emissions reporting. As an example, we calculated the emissions associated with the refrigerants that are used in our fleet of light vehicles. Over the past few years, these annual emissions have been less than 200 tonnes CO_2e, which is less than 5 percent of our total annual operational emissions and therefore not material to the overall assessment of Emeco's operational emissions. Our Scope 3 emissions are significantly higher. We have set a materiality threshold of 10,000 tonnes CO_2e for Scope 3 categories. Measuring Scope 3 emissions in our value chain has a high level of uncertainty. We have employed methodologies using estimates based on reasonable judgements for our voluntary disclosures in FY26.

In applying AASB S2, the Directors are required to make estimates and judgements regarding future events that may have an impact on the Group's operations. Forward-looking statements are not guarantees of, or predictions of, future outcomes or performance. See the forward-looking statements disclaimer on page 2 of the FY26 Annual Report for further details. Emeco will continue to review and update its disclosures as required under applicable laws and standards.

Our auditors assured specified sustainability disclosures in our Sustainability Report in accordance with AASB S2 and the Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*.

Abbreviated terms have the meanings given in the Glossary, in Section 10.

2. Climate statement

Emeco recognises that climate change is one of the most significant challenges facing the world today. We acknowledge the Australian mining industry has a role to play in the transition to a lower carbon economy.

Emeco has operations in all key mining regions of Australia, with customers including mining companies and contractors across gold, iron ore, metallurgical coal, thermal coal, copper and lithium operations. As a responsible business in the mining sector, climate change, including climate transition planning, is a material governance and strategic issue for us, our Board and management. Our Climate Change Position Statement is available on our website at https://emecogroup.com/sustainability.

Emeco is one of Australia's largest providers of surface and underground rental equipment and value-added services. We are also one of Australia's largest mining equipment maintenance and component rebuild services providers, with workshops located across key mining regions. A schematic of our operations is shown in Figure 1.

A circular economy is one where products are designed to be reused, repaired, and recycled, minimising waste and maximising resource efficiency. It aims to create a closed-loop system where materials are continuously circulated and repurposed rather than being discarded as waste. By 2035, the Australian Government aims to double circularity on a national basis – transforming how we use, reuse, and regenerate resources across the economy.

Our business supports the circular economy by extending the working life of mobile assets in the mining sector. As a result, less virgin materials are required to produce new earthmoving and mining equipment. This approach reduces greenhouse gas (GHG) emissions across the value chain for the mining sector in Australia. In addition, we predominantly refurbish our own powertrain and engines in-house, further promoting the circular economy by enabling local rebuilds and reducing the need to transport used components to third-party facilities. In FY26, in our

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Force workshops we completed 143 major machine rebuilds, as well as 983 component rebuilds - covering engines, powertrains, cylinders and pumps. At present our rental equipment is diesel-powered, however, based on public statements from suppliers, customers and Governments, we expect that new technologies will be commercialised and adopted at scale, potentially over the next 10-20 years.

Over the past two years, we have worked across the Board and Management levels to complete a work program aligned to the requirements set out in the legislation and in the new standard AASB S2 Climate-related Disclosures. We have updated our governance and risk management frameworks to ensure that our business is attuned to climate change risks and opportunities. Emeco recognises climate change as a material risk. We also recognise that there are opportunities for Emeco to participate in the transition to a lower carbon future, particularly in the emerging demand for low emissions vehicles at mining sites in Australia.

In the transition to a low carbon economy, Emeco is positioning our business to capture opportunities, particularly in terms of the equipment used in mining operations. We are working with international original equipment manufacturers (OEMs) to understand the pace of development for new technologies, which may include battery-electric vehicles (BEVs), hydrogen powered vehicles or the potential for renewable diesel in Australian mining fleets.

As an example, we have partnered with XCMG Mining Equipment Australia Pty Ltd (XCMG) under a five-year Service Support Agreement to deliver specialist maintenance, commissioning and aftermarket support services for key XCMG mining equipment operations in Australia. Through this engagement with XCMG, Emeco is developing the specialist capability, systems and support required for the deployment and long-term maintenance of battery-electric mining equipment in Australia. This collaboration is supporting the development of our technical expertise, service delivery model and operational readiness for next-generation mining fleets.

Partnerships such as this are fundamental to Emeco's strategy of expanding our technology-driven capabilities while supporting the mining industry's transition to lower emission equipment. Our collaboration with XCMG represents a significant milestone in building our battery-electric capability and positions Force to become a leading Australian provider of maintenance and support services for battery-electric mining fleets.

Climate change risks and opportunities are therefore at the core of Emeco's business model.

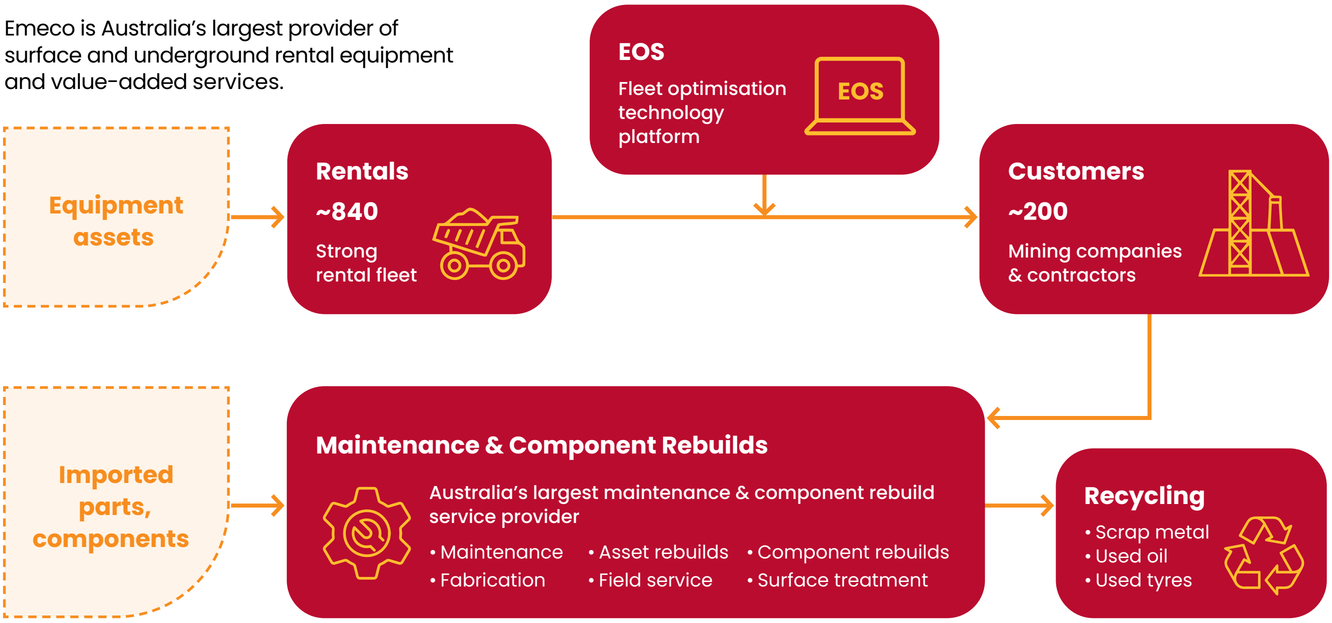
During FY26, Emeco undertook a pre-assurance readiness review with an external climate change expert to assess its readiness for mandatory reporting under AASB S2 *Climate-related Disclosures*. This work reflects the Board's commitment to continuous improvement and proactive governance in preparation for these disclosure obligations.

We have delivered a Paris Agreement compliant transition plan which aims to achieve net zero emissions by 2050, with significant reductions in our Scope 1 and Scope 2 operational emissions in the medium-term. This Transition Plan will be subject to the development and adoption at scale, of new technologies, with Emeco remaining agile to pivot as and when demand for lower emissions mining equipment increases. In this Sustainability Report we outline our Transition Plan, in line with the description set out in Box 1.

While we have met the mandatory reporting obligations in this year's Sustainability Report, we still have work to do with respect to our Scope 3 GHG emissions, which materially outweigh our operational emissions. As a result, we will continue to refine our internal data collection processes and work with our supply chain partners to better understand and quantify our Scope 3 emissions. Working with our upstream suppliers and our downstream customers is an opportunity to forge even stronger relationships. Our NZE goal is guided by public statements from suppliers, customers and the Australian government and is in line with commitments from many of the largest mining companies operating in Australia.

Figure 1. Emeco's operations

Emeco is Australia's largest provider of surface and underground rental equipment and value-added services.



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Our climate-related disclosures are structured around the four pillars of Governance, Strategy, Risk Management and Targets & Measures.

3. Climate-related governance

Figure 2 illustrates the governance of climate change issues across the Emeco Board, its committees and management.

3.1 Role of the Board and its Committees

The Emeco Board is responsible for overseeing the Company's approach to climate change through our strategic approach, risk management, public disclosures, policies, annual budgets and business plans. As part of these processes, the Board approves the resources needed for the effective management of our climate-related initiatives as included in the annual budget.

Climate change is integrated into the Group's overall corporate strategy. In particular, the Board considers climate-related risks and opportunities when reviewing strategy, performance objectives, and risk management processes and policies.

At Emeco, our Board and management are committed to a robust governance framework to enable the execution of our strategy, including management of climate-related risks and opportunities. This framework guides our commitment to developing and implementing innovative technologies and services, which can help our customers achieve their sustainability-related objectives, including a better understanding and optimising of fuel usage or building battery-electric capability.

The Board, with the assistance of the Audit and Risk Management Committee (ARMC), is responsible for ensuring that effective audit, risk management and regulatory compliance programs are in place. The Board views sound risk management systems as integral to Emeco's operations and good risk management to be essential to our success. Emeco is committed to ensuring its risk management systems are suitable and that risks and opportunities, including those that are climate-related, are addressed adequately and appropriately. Emeco recognises that risk management is a continuous process that fundamentally drives business performance and effective corporate governance.

Sustainability and climate risks continue to be considered with other risk categories and are treated with the same priority and rigour as other risks across the business. Climate change is one of the key responsibilities identified in Emeco's governance framework. The Board delegates specific responsibilities to committees and to the Managing Director & CEO. Responsibilities for climate-related risks and opportunities are reflected in the Board and committee charters. Details of the Board and committee charters are available on our website (https://emecogroup.com/who-we-are/corporate-governance).

The ARMC assists the Board in monitoring compliance with Emeco's risk and audit policies and protocols, incorporating review of new and emerging risks including climate change, risk controls and mitigation measures in place and any changes to the Risk Framework.

Box 1. A Paris Agreement Compliant Transition Plan

The primary goal is to hold the increase in the global average temperature to well below 2°C above pre-industrial levels, while pursuing efforts to limit the temperature increase to 1.5°C. A Paris-compliant plan should aim to achieve net zero emissions by 2050, with significant reductions in emissions in the medium-term.

Key Elements of a Transition Plan	Included in this Sustainability Report
• Conduct scenario analysis to assess the potential impacts of different climate change scenarios on the business.	✓
• Identify and assess the risks and opportunities associated with climate change and the transition to a low-carbon economy.	✓
• Greenhouse gas (GHG) Emissions Reduction Targets - set clear and measurable targets for reducing GHG emissions across all operations and value chains.	✓
• Ensure that the Company's overall strategy and business model are aligned with the transition to a low-carbon economy.	✓
• Allocate resources and invest in technologies and infrastructure that support the transition to a low-carbon economy.	✓
• Implement concrete actions to reduce emissions across all aspects of the business, including energy efficiency, renewable energy adoption, and supply chain decarbonisation.	✓
• Regularly report on progress towards achieving emissions reduction targets and disclose information about the transition plan.	✓
• Engage with stakeholders, including employees, customers, suppliers, and investors, to foster a shared commitment to climate action	✓

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Figure 2. Board and management governance of climate-related matters

Our annual budget processes together with our Capital Allocation Framework provides a mechanism for determining the amount and timing of investment in the progression of our climate change strategy and the delivery of our Transition Plan, while remaining well-positioned to maximise shareholder returns. Currently we do not apply a carbon price directly in our decision-making for investment decisions, however, we do note the carbon prices used by our customers and in our scenario analysis. We expect that carbon prices will likely be a strong driver for technology adoption and we will continue to monitor these trends.

The Board will consider committee recommendations on climate-related strategies, priorities, goals and performance when making decisions about Emeco's business strategy, risk management, financial planning and performance. Climate-related items such as reviewing and approving public disclosures, approving management's recommendation for our short- and medium-term targets and our long-term net zero emissions goal, and reviewing corporate strategy options were on the agendas for FY26 Board meetings. The Board is informed through board papers, progress updates from management, presentations from external subject matter experts and reports from each committee as appropriate.

The Board aims to achieve a mix of skills and diversity among its members. The Board periodically reviews the pool of skills provided by its current Directors to ensure they are appropriate and to understand any areas where additional education or skills may be desirable. The Board believes its Directors possess a clear understanding of climate-related risks and opportunities, and current strategic trends and issues, impacting the Company. Training opportunities have been made available to the Board on climate-related issues to ensure that the Directors remain informed and up-to-date on climate-related matters. Professional development for Directors is considered on an ad hoc basis, particularly in light of changing laws, for example Australian mandatory climate change reporting.

A skills matrix which sets out the key skills and experience of the current Directors and the extent to which the skills are represented on the Board and its committees as at 30 June 2026 is provided in Emeco's 2026 Corporate Governance Statement (https://emecogroup.com/who-we-are/corporate-governance). A brief description of each Director's skills, experience and expertise is set out in the Directors' Report section of the Annual Report. The Remuneration and Nomination Committee (RNC) periodically assesses the skills required to discharge the Board's duties and reviews the Board skills matrix, having regard to the strategic direction of Emeco and relevant emerging business, risk and governance issues.

The ARMC supports the Board's oversight of climate-related issues, including risks, opportunities and disclosures. The ARMC meets at least four times a year, and oversees the key risks affecting Emeco's business including business risk, financial reporting risk and climate risk. This involves the oversight of significant issues of judgement relating to the financial statements including those relating to climate, consideration of climate change and decarbonisation strategies, and reviewing our climate change risk analysis and associated risk mitigation strategies. It also includes appointing and maintaining our relationship with the external auditors who provided limited assurance on this Sustainability Report. The ARMC also reviews and recommends to the Board for approval Emeco's mandatory climate change disclosures, including this Sustainability Report.

The ARMC seeks to keep the Board informed of significant climate-related risks. As part of its risk management function, the ARMC obtains reports from management on the status of key risk exposures or incidents, new and emerging sources of risk and mitigation measures put in place to deal with those risks. The Company's risk and opportunity register, which forms part of the Risk Framework, is updated by management for ARMC review throughout the year. The ARMC also considered other climate-related

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topics during FY26 including the climate change targets and these disclosures. Climate change is a standing agenda item for ARMC meetings.

Generally, as climate change risks and opportunities or specific milestones arise, management's ESG Committee confers and makes recommendations to the ARMC, which in turn makes recommendations to the Board. The timing of these discussions may be determined by a range of factors, including potential impact of the risk or opportunity, commercial considerations and reporting requirements. The ESG Committee has the opportunity to make formal recommendations or raise issues at least 4 times a year when the ARMC meets.

The RNC supports the Board in relation to the factoring of climate-related considerations into executive remuneration. In FY26, the short-term incentive plan (STI) for key management personnel (KMP) included an ESG Target KPI – to establish ESG Governance, Targets and a pathway to ensure on time reporting for FY26 mandatory disclosures. For the Chief Executive and Managing Director, the STI weighting for the ESG Target was 2.5% and for the Chief Financial Officer, the weighting was 5%. Further details are included in the Remuneration Report contained within the Annual Report.

The Board, with the assistance of the ARMC will monitor and oversee progress against our short- and medium-term targets and long-term net zero goal, and the key commitments detailed in our Transition Plan. The ARMC, with assistance from the ESG Committee and management, will oversee Emeco's implementation and performance against this Transition Plan and climate-related matters.

The Board, together with its committees and management, considers how climate-related risks and opportunities may drive change and influence our medium to long-term goals and strategies. Examples include climate-related items such as discussions on the transitioning our own diesel-powered light motor vehicle (LMV) fleet to hybrid/electric and lower emission vehicles and pursuing opportunities to expand the Force service offering, including the XCMG partnership to enhance our capabilities to service battery-powered fleets. The Board balances climate goals with financial and strategic implications. There can be trade-offs between short- and medium-term costs and payoffs.

At this stage, we have not yet quantified how our financial position may change over the medium- and long-term in terms of investment and disposal plans, nor any potential planned sources of funding in relation to our strategies to manage climate-related risks and opportunities. This is due to the high level of uncertainty associated with such activities. In the short-term, our climate change response will be managed within the approved budget for FY27.

We take an enterprise approach to risk management and operate one Risk Framework for all risks, including climate-related risks (threats and opportunities). Our Risk Framework requires the identification and management of risks to be embedded in business activities and provides requirements and guidance on the tools and processes to manage current and emerging risks.

We interpret external signals associated with transition risks and opportunities and physical climate-related risks, such as material changes in climate-related political dynamics, policy and regulation, including legal developments, stakeholder sentiments, industry and technological developments and extended or changing climate events. We also interpret external events and trends associated with transition risks such as scientific or technological, policy, reputation and market developments. This supports the identification and management of climate-related risks and opportunities at Emeco.

Physical climate-related risks are largely associated with operations at our customers' sites, but the flow-on effect of any physical impacts can have repercussions for Emeco's financial performance. We maintain an engagement with our customers and through local communities in the areas in which we operate to monitor any changes in our risk assessments.

3.2 Role of Management

The Managing Director & CEO executes climate-related policies and strategies approved by the Board and is accountable for performance against Emeco's short- and medium-term operational GHG emissions targets and long-term net zero goal. The annual financial planning process focuses on the short-term (over 12 months). New business opportunities and the decarbonisation strategy are part of the medium-term planning process over the next decade to 2035.

Emeco has established a management ESG Committee to ensure risks and opportunities are considered from a whole-of-company perspective and to prepare the Company for its mandatory climate change reporting obligations. Membership of this committee includes key executives including the Chief Executive Officer, General Manager of Procurement, General Manager Asset Management and representatives from various operational teams as well as legal, finance and IT. The Board is represented on this Committee by the Managing Director & Chief Executive Officer. Climate change is a standing agenda item at ESG Committee meetings.

The cross-company membership of the ESG Committee ensures appropriate skills and competencies to oversee the Transition Plan. In order to maintain currency with climate-related matters, members have access to a specialist external climate change consultant. ESG Committee members are also encouraged to review papers and materials intended to provide them with new and additional knowledge, skills and competencies required to progress our current and developing climate change strategy. During FY26, a series of workshops was held with an external adviser to inform management on options for the company's external disclosures ahead of preparing this Sustainability Report.

The ESG Committee advises Emeco's Board and committees on climate change and decarbonisation strategies, analysis of climate change risks and associated risk mitigation strategies, emissions monitoring and reporting and related disclosures. It will also respond to the results of audits or reviews related to climate change and emissions reporting.

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The ESG Committee will also advise the ARMC and Board if additional resourcing is required to respond to climate-related risks and opportunities. At present, our strategy is to train and upskill our current workforce to manage climate-related risks and opportunities, supplemented as required with external subject matter experts. During FY26, there was a focus on training our Force team to manage the XCMG contract relating to heavy BEVs.

Under the Risk Framework, the Managing Director & Chief Executive Officer and the senior management team are responsible for ensuring that internal controls and procedures are established to manage identified risks. Emeco maintains a range of internal control systems which assist in the identification, analysis, valuation, and management of risks. These include:

- Risk assurance process, the primary objective of which is to ensure the effectiveness of Emeco's risk management, governance and control framework.
- A comprehensive insurance program which is reviewed periodically in light of Emeco's growth and development.
- Strategic budgeting and monthly reporting systems and monitoring against performance targets.
- Establishment of guidelines and limits for capital expenditure approvals and commitments including a requirement for the Managing Director & Chief Executive Officer to discuss and review with the Board any expenditure commitments where the matter involves extraordinary sensitivities or exposes Emeco to a greater than normal level of risk.

Under the risk management policy, which forms part of the Risk Framework, senior management are responsible for reporting to the Chief Financial Officer on the management of their region or department's material business risks. The Chief Financial Officer is tasked with providing assurance to the ARMC and the Board on the effectiveness of the Group's risk management, governance and control frameworks.

Controls and procedures to support the oversight of our Transition Plan and ensure the reliability of information disclosed include:

- Clear identification of responsibilities of various internal functions for supplying information to the ESG Committee.
- External climate change expert capability to guide and advise on relevant matters.
- Internal reviews by relevant group managers and other business functions through the ESG Committee.
- Integrity of information, supported by systems which enable traceability.
- External audit – FY26 climate-related disclosures were subject to external limited assurance by the Company's auditors.

4. Climate-related strategy

In setting and monitoring the delivery of our strategy, we consider climate-related risks and opportunities, across the following time horizons:

- Short-term (up to 12 months), aligning with our budget process and our short-term target.
- Medium-term (up to ten years), defining actions and initiatives that support our medium-term target and long-term net zero goal.
- Long-term (10 to at least 25 years), given our transition scenario analysis extends to 2050 and the climate projections data we use to underpin our physical climate-related risk assessments incorporate a 2070s' time horizon.

4.1 Climate change strategy

Emeco's energy use and operational GHG emissions are very low and are based on the diesel used in our light vehicle fleet and the electricity purchased for our operating sites. Our Scope 3 emissions are significantly higher, with the emissions from the diesel used in our rental equipment at customer sites the most significant. We have continued engagement with suppliers and customers to better understand value chain emissions, climate-related risks and opportunities and decarbonisation pathways.

Climate-related risks and opportunities have impacted our strategy in numerous ways. We are seeking to be flexible in terms of deploying our resources – both equipment and people; exploring options and keeping abreast of new developments so as to be able to pivot as new technologies are adopted across the mining sector; and identifying opportunities to diversify the commodities that we help to extract across Australian States.

4.1.1 Commodity diversification

We believe our current strategy of diversifying across commodities will remain appropriate over the medium and long-term. Our fleet is commodity agnostic, and we can change our fleet configuration progressively due to the lower up-front investment associated with our mid-life business model. We can also assist customers with reducing their investment in assets which may become obsolete in the future through rebuild and life-extension solutions in our workshops and through our asset management and condition monitoring capabilities.

We appreciate that future demand for thermal coal is currently uncertain, with some models expecting global demand to reduce significantly by 2040 as coal-fired plants are phased out in favour of renewable generation. Our current exposure to thermal coal mining represents about 19% of our revenue. Some of our coal mining customers produce high quality coal suitable for ultra-supercritical power plants and they expect demand from Asia to continue for decades. Ultra-supercritical power plants are capable of significantly reducing GHG emissions compared with older technologies. Australian high-quality, high calorific value (CV) thermal coal is expected to be among the last to leave the market owing to higher energy efficiency and lower emissions relative to lower CV coals.

Australia is the largest exporter of both iron ore and metallurgical coal in the world. These products play a vital role in underpinning infrastructure growth and economic development globally. They remain critical and non-substitutable components of blast furnace steelmaking, which accounts for about 70% of global steel production. While significant investment is being made into lower emission steel production technologies, metallurgical coal and iron-ore are expected to remain critical to steel production for decades as global demand grows—driven primarily by urbanisation and infrastructure investment in developing economies, particularly India and Southeast Asia. Australian exporters are expected to

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maintain market share for the foreseeable future, as they are highly competitive and have a favourable proximity to key markets.

Future-facing commodities, for example copper and lithium, offer opportunities for growth in the transition to a low carbon economy. Copper and lithium are both required for essential low emission technologies and offer opportunities for Emeco. While gold has a niche role in improving the efficiency and performance of several low emission technologies, for example solar PV panels and electric vehicles, gold is not considered a "critical mineral" for the energy transition in the same way as lithium, cobalt, or copper. The demand for gold related directly to the transition to a low-carbon future is expected to be largely neutrally impacted over coming decades, if gold mining and processing can be decarbonised (Note 2).

4.1.2 Diesel replacement

Emeco's current bias towards one major heavy diesel equipment manufacturer (Caterpillar) exposes us to a concentration risk pertaining to technology and obsolescence. As societal expectations increase with respect to climate change strategies and customer demands change, Emeco must consider future technologies to decarbonise our fleet. Emeco's current fleet under its mid-life asset model is both cost and capital efficient but continues to require investment in diesel-powered internal combustion engines, which are expected to become obsolete in coming decades. Our strategy is to understand and monitor different trends in powering heavy equipment in order to be able to pivot as new technology becomes commercially available and economically viable.

Emeco, through its wholly owned subsidiary Force, has partnered with XCMG, a leading global manufacturer of mining heavy mobile equipment, to support the introduction of a battery-electric mining fleet into one of Fortescue Limited's mining operations in Western Australia. Under the five-year Service Support Agreement, Force will provide commissioning, operator and maintainer training, onsite labour, field maintenance, warranty support, offsite component rebuilds, engineering services, project management and technical advisory services. Force's national workshop network and field service capability will be integrated with XCMG's technical, parts and product support teams to deliver ongoing fleet support. XCMG is supplying more than 100 battery-electric mining machines for Fortescue's Pilbara operations under a fleet deployment valued at more than US$400 million (Note 3).

The partnership represents an important step in Emeco's strategy to expand its technology-driven capabilities while supporting the mining industry's transition towards lower emission equipment. It also provides the opportunity to develop specialist expertise in battery-electric mining equipment and further strengthen Force's position as a provider of advanced maintenance and technical support services. To support this capability, Emeco continues to invest in training and upskilling its workforce in high-voltage systems, battery-electric technologies and associated safety practices, ensuring our people remain equipped to safely support the next generation of mining fleets.

We are keen to work with a range of international OEMs, suppliers and customers to trial a range of new technologies to reduce emissions from existing machines or to replace fossil fuel derived diesel equipment. Although some of our customers are investigating a range of options for diesel replacement now, most Australian mining companies do not forecast material uptake of electric vehicles before the early 2030's. Our customers are, however, expecting strong progress post-2030.

Emeco is increasingly engaging in industry networks and developing relationships with equipment and parts manufacturers and technology providers, both in Australia and overseas. Through our Force business, Emeco is in a unique position to leverage expertise and customer, supplier and OEM relationships to explore decarbonisation developments. This keeps Emeco informed of changes that can be embedded into future strategies.

In addition to monitoring alternative drivetrain technologies, Emeco is focused on immediate advances that may increase the structural life of its equipment, improve emissions profiles, and reduce failures that hinder material reuse. For example, working with one of our customers we are looking to investigate diesel additives which can reduce fuel consumption. By integrating these advancements, Emeco aims to enhance the durability and sustainability of its fleet, strengthen customer relationships and maintain its competitive position in the market.

The Company's mid-life asset model has positive attributes from a carbon perspective, given the reuse of carbon-intensive steel and remanufacture and reuse of major components. The mid-life model offers commercial benefits and acts as a proactive strategy to mitigate risks related to fleet obsolescence and technological evolution in the mining sector. The model leverages Force workshops to rebuild targeted assets, with the aim of allowing Emeco to return equipment to operation at a substantial cost advantage compared to competitors without in-house rebuild capabilities. Emeco aims to maintain a fleet of assets with 5-10 years remaining economic life, as opposed to the typical 20-year lifespan of new equipment.

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Emeco Operating System (EOS) is Emeco's fleet-optimisation technology platform which tracks performance in real-time. Emeco leverages a combination of live equipment telemetry, condition monitoring and data-driven analytics to ensure our fleet is operating at optimal performance, which in turn supports reduced fuel consumption and emissions intensity. We capture real-time data from equipment across the fleet, allowing our condition monitoring analysts to identify inefficiencies such as poor combustion, injector degradation, overheating events or suboptimal operating behaviours. These issues are often not visible through traditional maintenance practices but can materially increase fuel burn if left unaddressed. By detecting these conditions early and directing targeted maintenance interventions, we aim to ensure machines are running as efficiently as possible throughout their operating life.

In addition to live monitoring, our integrated approach combines oil analysis, machine learning models and engineering review to proactively identify developing faults and optimise component performance. While Emeco has not undertaken formal internal studies to quantify emissions reduction from these activities, industry experience demonstrates a strong link between well-maintained components, particularly fuel systems such as injectors, and reduced fuel consumption. For example, external case studies have shown up to 18% reduction in fuel consumption through data-led optimisation (Note 5).

Emeco applies similar principles across its rental fleet, embedding condition monitoring and performance optimisation into daily operations to reduce unnecessary fuel usage and support lower emissions outcomes. The anticipated push to decarbonise fleets is expected to impact and shape equipment replacement strategies across the industry. We have observed a shift for some customers towards extending the current asset lives and delaying the purchase of new vehicles which allows time for the development of alternative fuels and greater adoption of the required technology and infrastructure. This shift may enable Emeco to increase the volume of mid-life equipment rebuilds.

Emeco undertakes commercial reviews for major equipment spending, with a focus on adequate returns on investment. This robust life-cycle management includes regular evaluation of equipment performance and technological relevance and identifies optimal points throughout an asset's life where upgrades, disposal or replacement can be considered. This approach reduces the risk of early obsolescence and allows for responsive actions before planned end-of-life milestones.

Emeco's strategy is based on the benefits of a circular economy in building, servicing and renting mining equipment. By extending the working life of key assets in the mining sector, Emeco actively addresses climate-related risks and opportunities while aligning its business model with customers' emissions reduction goals. The financial impact on performance and cash flows remains commercially confidential.

We will continue to monitor the signposts highlighted in the scenario analysis to assess likely changes in the mining industry and develop our strategies to be flexible enough to respond in a timely manner. We aim to maintain a strong balance sheet and monitor our net debt and gearing ratio, giving us the flexibility to respond to changing external factors, including climate-related risks and opportunities, as they arise. This, coupled with our Capital Allocation Framework and annual budgeting processes, enables us to work towards executing our strategic business decisions for the benefit of shareholders. Given that we are at the early part of the decarbonisation journey, we have not disclosed our planned investment on climate-related capital and operating spend, as the uncertainty levels are currently too high.

We have assessed no significant risk for carrying amounts of assets and liabilities within the next reporting period. At present, we expect no material change in financial position over the short-term in relation to climate-related risks and opportunities. In the medium-term, and subject to the necessary technological and infrastructure advancements, we expect our customers will begin to transition to low emissions vehicles and reduce their dependency on diesel equipment. We are closely monitoring this transition and over the medium-term we will make changes to our rental fleet in line with this transition. It is too early to quantify the impact on our financial position over the medium and long-term, but these issues form part of our annual strategic and budget review.

4.2 Scenario analysis

During FY25, the Managing Director & Chief Executive Officer, as a Board representative, and senior Emeco management engaged in scenario analysis to test the resilience of our strategies under both a 1.5°C scenario for transition risks and opportunities and a 3-4°C scenario for physical climate change risks. Using these two scenarios allows Emeco to stress test its strategy and preparedness in differing physical circumstances and speed of energy transition.

4.2.1 Transition risks and opportunities: 1.5°C scenario

In 2021, the International Energy Agency (IEA) published its World Energy Outlook (WEO-2021) which included a new scenario for net zero emissions (NZE) by 2050. In this NZE scenario, CO_2 emissions are net zero in 2050 globally, and the rise in temperature reaches a maximum level of just over 1.5°C around 2050 and by 2100 the rise in temperature falls to around 1.4°C.

It is this rapid reduction in GHG emissions over the period 2020-2050 that makes this scenario a stress test for resilience and useful in assessing potential transition risks and opportunities.

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The IEAs NZE scenario signposts are also useful in reviewing our strategy through a different lens. Key global signposts for Emeco taken from IEAs NZE scenario include:

- Global energy-related and industrial process CO_2 emissions fall from a peak of ~37 gigatonnes (Gt) in 2022 to ~21 Gt in 2030 and to net zero in 2050. CO_2 emissions in advanced economies as a whole fall to net zero by about 2045.
- Carbon prices in advanced economies increase from US$75 per tonne CO_2 in 2025; to US$130 by 2030; to US$205 in 2040; and to US$250 in 2050. Rising carbon prices provide the incentive to drive technological innovation and consequently reduce emissions.
- The fastest and largest reductions in global emissions are in the electricity sector, with emissions dropping in this sector by nearly 60% by 2030 mainly due to major reductions in generation from coal-fired plants.
- All subcritical coal-fired plants are phased out by 2030 and all plants without carbon capture, use and storage (CCUS) are phased out by 2040.
- In order to meet the net zero emissions outcome in this scenario, thermal coal demand falls quickly in the 2020s, declining by 7% on average each year to 2030. The sharp decline in demand for thermal coal means that there are no new coal mines or coal mine lifetime extensions.
- As a result of the lower demand for thermal coal, coal prices fall in major markets in 2030, and prices are even lower by 2050.
- The share of renewable energy in electricity generation more than doubles from 2020 to 2030 and reaches 88% by 2050.
- In the transport sector, average fuel consumption of internal combustion engines (ICE) in heavy truck fleets improves dramatically from 2020-2050.
- There is a transition away from oil in the transport sector – the share of electric, hydrogen and hybrid vehicles in total heavy vehicle sales increases from zero in 2020; to 30% in 2030; 84% in 2040; and 99% by 2050. By 2050, nearly all heavy trucks sold are electric or fuel cell.
- With the growth in renewable generation, new transmission and distribution infrastructure and battery storage, the demand for some minerals will grow. Demand for critical minerals for clean energy applications quadruples between 2022 and 2030.

These signposts from IEAs NZE scenario give Emeco confidence that, were there to be rapid decarbonisation as would be required under a 1.5°C scenario, opportunities would exist moving forward to offer options for diesel replacement – our biggest source of emissions in the value chain.

We will continue to monitor signposts for the availability of heavy-duty vehicles that are not reliant on fossil fuels and take steps to work together with OEMs and our customers as they trial or adopt new low-emission vehicles. We expect that these trials and early adoption by the largest mining companies will substantially de-risk these technologies for the broader industry and support Emeco's own investment. Through our involvement with XCMG, we are developing specialist technical capability and operational readiness to support deployment and long-term maintenance of battery-electric mining equipment.

In parallel, we will explore bridging technologies such as diesel additives, hybrid systems and hydrogen injection which are being trialled by our customers to reduce emissions and extend the viability of our existing fleet during the transition.

The signposts for the global outlook for thermal coal are also important as thermal coal mining represents about 19% of our revenue. Diversification strategies through underground rental, Force workshops and maintenance offerings continue to be pursued and we recognise the opportunity to work with customers in the forward-facing commodities and emerging critical minerals.

Using the scenario analysis and observing the signposts for emerging trends we can build confidence that our own strategies are aligned with the transition to a lower carbon future.

A summary of transition risks and opportunities is provided in Table 1. These transition risks and opportunities apply to 100% of Emeco's operations.

These climate change transition risks and opportunities have not had a material impact on Emeco's financial position, financial performance, cash flows and carrying value of assets and liabilities during FY26. At present we do not anticipate any material financial impact from these risks and opportunities in the short-term. It is too early to quantify any potential impacts over the medium- to long-term, but we will continue to monitor the signposts to better understand future financial impacts related to climate change risks and opportunities.

We expect that the company has sufficient flexibility in its financial resources to respond to and manage the transition risks and opportunities identified in the scenario analysis. We can be flexible in the way we deploy, upgrade or decommission our existing assets. Our current investments in climate-related mitigation, adaptation and opportunities for climate resilience in the short-term are managed within the annual budget processes. Medium- and long-term expenditures are highly uncertain today and cannot be reasonably quantified at present. We will keep a watching brief on the key expenditures required to meet our medium-term target and firm up these costs in coming years.

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Table 1. Summary of transition risks and opportunities

Potential influence of climate-related issues on Emeco's risks and opportunities over time

	Risk/ opportunity category	Risk/ opportunity factors	Impact	Actions	Short-term (0 to 12 months)	Medium-term (1 to 10 years)	Long-term (10 to at least 25 years)
Risks	**Policy & Legal**	Increased pricing of GHG emissions	Increased operating costs	• Monitor trends in contracting arrangements. • Ensuring compliance with AASB S2. • Closely monitor regulations regarding the use of diesel equipment and fuel standards.	Low	Low to Medium	Medium
		Mandates on, and regulations of, existing products and services	Write-offs, asset impairment and early retirement of existing assets				
	Technology	Substitution of existing products and services with lower emissions options	Write-offs and early retirement of existing assets	• Work closely with customers and OEMs to identify timing for fossil fuel replacement vehicles to be commercialised and available in Australia. • Trials with OEMs using battery technology. • Phase in new technologies. • Training of employees.	Low	Low to Medium	Medium
		Costs to transition to lower emissions technology	Capital costs and costs to deploy new practices and processes				
	Market	Changing customer demand	Reduced demand for goods and services due to shift in customer preferences	• Engage with customers to identify changing preferences. • Continue to build the value proposition for rebuilt diesel engines in a circular economy. • Phase in new technologies through trials and selected partnerships. • Seek opportunities to diversify commodity mix.	Low	Low to medium	Medium

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Potential influence of climate-related issues on Emeco's risks and opportunities over time

	Risk/ opportunity category	Risk/ opportunity factors	Impact	Actions	Short-term (0 to 12 months)	Medium-term (1 to 10 years)	Long-term (10 to at least 25 years)
Risks	**Reputation**	Stigmatisation of mining sector	Employee attraction and retention	• Continue to promote the value Emeco offers to the circular economy in its workshops by prolonging engine life and reducing demand for new vehicles. • Demonstrate Emeco's innovative approaches to low emission technologies including battery-electric vehicles.	Low	Low to medium	Medium
Opportunities	**Circular economy**	Extending our and our customer fleet lives	Opportunity to extend asset operating lives during the transition to lower emissions economy	• Force workshops to repair and rebuild diesel machines.	Strong	Stronger	Moderate
Opportunities	**New technologies**	Battery-electric vehicles	New opportunities at Force workshops to partner with OEMs	• Partnership with XCMG to deliver specialist support for BEVs.	Strong	Stronger	Stronger
Opportunities	**Fleet optimisation technology**	Emeco operating system (EOS)	Fleet-optimisation technology platform which tracks performance in real-time	• Expanding fleet coverage to enhance our ability to measure fuel used by our machines when deployed at our customers' sites.	Strong	Stronger	Stronger

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4.2.2: Physical climate change risks: 3-4°C scenario

We also explored physical risks under the higher emissions 3-4°C scenarios using data from the IPCC's Sixth Assessment Report and various Australian specific reports including from the CSIRO and Bureau of Meteorology. There is strong value in using high emissions scenarios to stress test how extreme events could potentially impact our operations.

A changing climate can exacerbate and trigger physical climate-related risks including:

- Acute risks resulting from increased severity of, and/or more frequent, extreme weather events.
- Chronic risks resulting from longer-term changes in climate patterns, the gradual increase in the number of extreme heat days over the years and rising sea levels.

It was noted that the mining sector is exposed to both acute and chronic physical climate-related risks because of its remote outdoor operations with labour and physical capital exposed to the elements, and because of its dependency on global value chains. The long lives of some mining assets mean they could encounter deteriorating conditions in later decades.

Our equipment is rented to a range of customers operating in northern Australia – both East and West coasts. These sites are vulnerable to cyclones in Australia's summer. As part of our operations, we consider opportunities for geographically dispersed sites and value chains, which assists to mitigate the risk of concentrated physical climate-related impacts we may face.

Physical climate change risks are potential threat multipliers for our operational risks, for example the operational risk of flooding at a customer site is a potential threat to our customer's productivity, which if curtailed, impacts Emeco from a financial perspective. As was noted in our Trading Update and investor presentation released to the ASX on 18 June 2026, a prolonged Queensland wet season in FY26 resulted in reduced site activity and reduced utilisation of our operational equipment at some customer sites. While it is not possible to directly link this particular weather event with climate change, flooding at our customer sites is identified as a physical climate change risk factor for Emeco, which may impact the company's financial performance. (Note 4)

Some physical climate impacts at customer sites can also impact our asset integrity and potentially our people. It is important to integrate our physical climate change risks and planning into our risk register, insurance negotiations and decision-making processes.

While our workshops, equipment used on customers' sites and our people can be exposed to physical impacts, adaptation plans for mining operations are largely the responsibility of our customers. Opportunities to collaborate and expand our learning are therefore crucial to ensure risks are managed in partnership with others and maladaptation is avoided.

An aggregated risk assessment of potential climate-related physical impacts under 3-4°C scenario is provided in Table 2. These physical risks apply to 100% of Emeco's operations.

Table 2. Physical climate change risks and impacts

Aggregated risk assessment of potential climate-related physical impacts on Emeco over time horizons

		Physical risk factors	Impact	Short-term (0 to 12 months)	Medium-term (1 to 10 years)	Long-term (10 to at least 25 years)
Risk	Extreme physical climate impacts	Flood	• Disruptions to customers' onsite operations e.g. failure of tailings storage facility; pit flooding; equipment failure or damage from water exposure can all impact Emeco's financial performance. • Emeco's own equipment can be impacted by in-pit flooding.	Low to Medium	Low to Medium	Medium to High
		Drought	• Disruptions to customers' onsite operations due to failure of tailings storage; lack of water for dust suppression; and general water supply constraints can all impact Emeco's financial performance.			
		Heat extremes	• Increased stress on employees – health and safety risks – both at customers' sites as well as at Emeco's workshops. • Reduced productivity and disruptions to customers' onsite operations which can impact Emeco's financial performance.			

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Aggregated risk assessment of potential climate-related physical impacts on Emeco over time horizons

		Physical risk factors	Impact	Short-term (0 to 12 months)	Medium-term (1 to 10 years)	Long-term (10 to at least 25 years)
Risk	Extreme physical climate impacts (continued)	Bush fire	• Safety risk to Emeco employees at customers' sites. • Disruption to customers' onsite operations and supply chains which can impact Emeco's financial performance.	Low to Medium	Low to Medium	Medium to High
		Tropical cyclones	• Safety risk to Emeco employees at customers' sites and at Emeco's workshops in northern Australia. • Disruptions to customers' onsite operations due to wind and flood damage which can impact Emeco's financial performance.			
		Coastal infrastructure inundation and damage	• Disruptions to customers' operations and supply chains can impact Emeco's financial performance.			

5. Climate-related risk management

The Board views sound risk management systems as integral to the Group's operations. Good risk management is essential to achieving our strategic objectives, can improve our resilience against emerging risks and it supports the overall success of the Group. Emeco accepts that risk is an unavoidable part of the Group's activities.

Emeco believes effective risk management requires a single, consolidated view of risks across the business to understand the Group's full risk exposure and to prioritise risk management and governance activity. For this reason, we apply a single Risk Framework for all risks. Our Risk Framework is illustrated in Figure 3.

Emeco is committed to ensuring its risk management systems are suitable and that risks and opportunities are addressed adequately and appropriately. Emeco has adopted a Risk Framework to promote awareness of the major risks to which Emeco is exposed and to ensure that effective risk management is an ongoing consideration in its day-to-day operations. Key elements of Emeco's Risk Framework include:

- Principles for value creation and protection
  - *Integrated* – Risk management is embedded in Emeco's decision-making activities and culture. Each individual and group decision considers risks and opportunities so that informed choices can be made with the available information, prioritising actions and considering different courses of action and consequences.
  - *Structured and comprehensive* – Risks and opportunities and associated actions to minimise risks and maximise opportunities are considered and reviewed on a regular basis using a systematic and consistent approach to identify and quantify key risks.
  - *Based on best available information* – Risk and opportunity assessments take into consideration the best available information - both quantitative and qualitative inputs - at that point in time, based on management's experience and current knowledge.
  - *Customised* – Risk framework and assessments are tailored to the size of Emeco, capacity and stage of development but are also adaptable for changing market conditions and business circumstances.
  - *Inclusive* – Emeco recognises internal and external stakeholders that impact on risks and opportunities and engages with relevant stakeholders to ensure that a wide range of perspectives are considered and that risks and opportunities are actively managed.
  - *Dynamic and responsive to change* – Discussions are held on an ongoing basis to identify emerging risks and opportunities and mitigating strategies in periods between formal risk assessments.
  - *A driver of continual improvement* – Emeco's core values include a focus on growth and how, through learning and experience, we can improve processes to manage risk and maximise opportunities.
- Process steps
  - *Establish scope, context and criteria* – Emeco considers the reasons for risk management and the scope of its risk management activities. Emeco's Board has defined its appetite for certain risks, in the context of its stated strategic objectives. These appetite statements provide an overarching guide for the Company's core decision-making activities.
  - *Risk identification* – Management communicates with each Business Unit manager to identify risks and opportunities.
  - *Risk analysis* – Risk causes, current controls and consequences are discussed and tested. Inherent risk is assessed.

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  - *Risk evaluation* – Risks are evaluated based on the available information – consequences vs benefits, to determine if the risk is acceptable.
  - *Risk treatment* – Identify if additional controls are needed or specific actions required to mitigate the risk/maximise the opportunity. Determine the residual risk rating.
  - *Monitoring and review* – Risk is continually monitored internally on an ongoing basis and reviewed regularly for the ARMC.
  - *Communication & consultation* – Risks and opportunities and associated actions identified are communicated with the Business Units, management and ARMC.
  - *Recording & reporting* – Business risks are updated and disclosed as part of annual reporting activities. The risk register is updated formally ahead of ARMC meetings for ARMC review.
- Leadership & commitment
  - Emeco's Board and management team demonstrate strong leadership and commitment to risk management through the adoption of the Risk Framework and a commitment to processes which identify, evaluate, manage and report key organisational risks. The Board and management's roles and responsibilities are shown in Table 3.
  - Emeco's business activities carry risks that are routinely identified and managed, consistent with the Company's stated values of accountability, growth, pride and teamwork and our objective to create value for shareholders.
  - Managing risks and pursuing opportunities are integrated into the day-to-day procedures of the Company.
  - Emeco's Risk Framework has been designed to take account of the Company's operating environment and available resources. Roles and responsibilities regarding risk management are well articulated and understood across the organisation. Emeco's approach to risk management continues to mature and evolve to adapt to its dynamic operation environment.
  - The Company routinely engages all facets of the business in risk management activities and reporting. These are well understood with checks inherent in our processes and systems to ensure risks taken are within the Company's stated appetite and are appropriately managed.
  - The Company periodically measures key risk areas against agreed KPI limits/targets to ensure its business activities align with its stated strategic objectives and risk limits/appetite.
  - The Company frequently evaluates its Risk Framework, including its Risk Management Policy, with a view to ongoing improvement of its management of risks and opportunities.

The Board, with the assistance of the ARMC, is responsible for ensuring that effective audit, risk management and regulatory compliance programs are in place. The Board, with the assistance and advice of the ARMC, monitors compliance with Emeco's risk and audit policies and protocols, including reviewing new and emerging risks, confirming that risk controls and mitigation measures in place and assessing any changes to the Risk Framework.

The ARMC is responsible for considering Emeco's overall Risk Framework and reviewing its effectiveness in meeting sound corporate governance principles in light of the amount and type of risk the Company is willing to assume and any identified new or emerging risks.

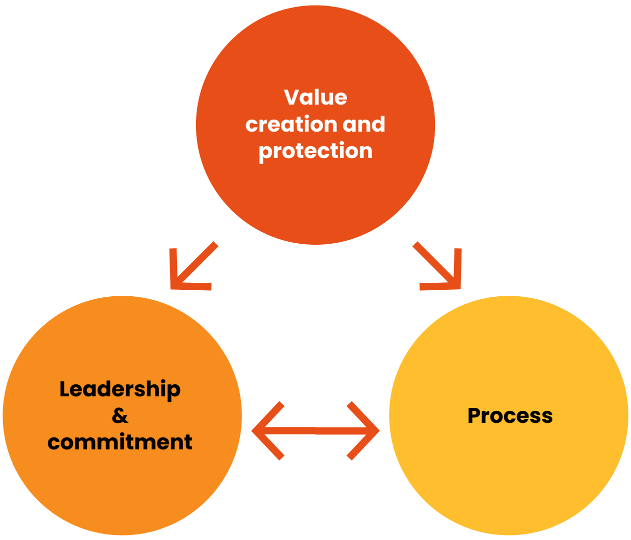
The ARMC:

- Reviews with management the system for identifying, managing and monitoring Emeco's key financial and non-financial risks.
- Obtains reports from management on the status of any key risk exposures or incidents and new and emerging sources of risk and the controls, together with mitigation measures put in place to deal with those risks.
- Reviews any material incident involving a breakdown of Emeco's risk controls and the lessons learned.

Risks are identified across all risk types on an ongoing basis – this can be done using a range of approaches including workshops, subject-matter expertise, hazard identification processes and engagement with OEMs, suppliers, customers and industry leaders. Emeco uses a 'five by five' consequence by likelihood risk matrix to assess the overall significance of a risk occurring, based on assessed event likelihood and credible consequence. This provides a consistent basis for the evaluation of potential consequences and likelihood to facilitate a comparison across different risks.

This helps us to understand the significance of climate-related risks in the context of Emeco's overall risk profile and prioritise controls and decision-making for investment in risk mitigations. Controls, which are reviewed at least annually, can be preventative or mitigating. A consistent approach allows climate-related risks to be considered across our business and integrated through our risk profile to focus actions on risks that are material.

Figure 3. Emeco's Risk Framework



Risk management measures, including mitigations, are identified for each risk and monitored to the extent considered appropriate. The leadership team and the ARMC review the group's Risk Framework and principal risks and uncertainties annually. These may be updated during the year in response to changes in circumstances.

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Key risk indicators (KRIs), risk tolerances and Risk Appetite Statement (RAS) for climate change and decarbonisation have been included in the risks and opportunity register, part of the Risk Framework, throughout FY26 for review and consideration at ARMC meetings.

Table 3. Roles and responsibilities for Emeco's Risk Framework

Role	Responsibility
Board	• Responsibility for ensuring risk management and compliance programmes are in place. • Oversee establishment and implementation of effective risk management system. • Responsibility for setting the Group's strategic objectives.
Audit and Risk Management Committee	• Assist the Board to fulfil its risk management and oversight responsibilities. • Monitor the Group's risk profile. • Consider the overall Risk Framework. • Obtain reports from management on key risk exposures/incidents. • Provide risk assurance recommendations to the Board. • Monitor progress with mitigation strategies. • Oversee Management's risk function.
Management	• Implement the Risk Framework. • Accountable for systems, procedures and controls in place. • Identify strategic risks aligned to the Group's strategic objectives. • Test identified risks and opportunities raised by the Business Units. • Track progress of mitigation strategies. • Identification of corporate and strategic risks.
Business Units	• Identification of key risks and opportunities. • Identification and implementation of mitigation strategies. • Communication of emerging risks and opportunities.

The ARMC keeps the Board informed of significant business risks including both financial risks and non-financial risks, including climate-related risks. As part of its risk management function, the ARMC obtains reports from management on:

- The status of any key risk exposures or incident.
- Any new and emerging sources of risk and the controls.
- Any material exposure to climate-related risks.
- Mitigation measures put in place to deal with those risks.

Emerging risks are new or evolving risks that are highly uncertain by nature and have the potential to significantly impact Emeco's operations. Emerging risks are typically less predictable and lack precedents, making them challenging to assess or mitigate. It is important therefore to use risk intelligence to monitor the leading indicators of emerging risks, potential impacts and responses.

Climate change and the low-carbon transition remain critical emerging risks, with potential to have a significant impact on our business and the communities where we operate. We actively monitor and assess the potential impact of these on our operations and business including through the above scenario planning. Where appropriate, we take a proactive approach to responding to the uncertainty. This includes committing to short- and medium-term targets and a long-term NZE goal, keeping abreast of new and emerging technologies and developing our specialist technical skills in supporting battery-electric vehicles, as well as diversifying our operations across commodities and across the Australian States. We will also engage with our customers to understand their planning for physical climate change impacts at their sites.

6. Climate-related targets & metrics

6.1 Defining our GHG Emissions

With respect to GHG emissions, Emeco has adopted definitions set out the *Greenhouse Gas Protocol* and in the National Greenhouse and Energy Reporting (NGER) Scheme and summarised below:

- Scope 1 emissions are emissions released into the atmosphere as a direct result of the activities at an organisation's facilities.
- Scope 2 emissions for a facility represent emissions that are released outside the facility boundary to produce electricity that is imported into the facility and used.
- Scope 3 emissions are indirect emissions other than Scope 2 emissions. These occur outside the boundary of an organisation as a result of the organisation's actions across its value chain.

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6.2 Operational GHG emissions inventory

Our operational GHG emissions for the Emeco Group – Scope 1 + Scope 2 emissions – are very low. As a result, Emeco is below the threshold for mandatory reporting under the NGER Scheme. Significantly higher levels of emissions have been identified across our value chain, and we are developing methodologies and speaking with our suppliers and customers to refine our estimates of Scope 3 emissions.

6.2.1 Energy purchased – diesel

As our company-operated light vehicles and equipment reach effective life and are retired, we are incorporating vehicle models into our fleet that are marketed as being more fuel efficient than conventional or older diesel models. Where feasible, Emeco is committed to the transition of its light vehicle fleet to hybrid and full electric vehicles. We will monitor our fuel usage and compare this with the advertised fuel efficiency, to guide future decisions around model selection. We are in the process of deploying in-vehicle monitoring systems (IVMS) into our light vehicles, which will enable us to optimise fuel usage by our employees through enhanced monitoring systems. As shown in Table 4, diesel purchased in FY26 was 886 kilolitres, which was in line with FY25 consumption.

The reduction in diesel consumption in the LMV fleet in FY25 vs FY24 is due to two main reasons. Emeco sold the underground contracts for PNP mining services in February 2024. Without the mining services contracts, there was a decrease in light vehicle use. There was also an increase in higher efficiency diesel vehicles replacing older vehicles in the LMV fleet.

Table 4. Diesel purchased for company owned and operated LMV fleet (kilolitres)

	FY26	FY25	FY24	FY23
Diesel purchased	886	887	1,164	1,091

Note:
- Data from FY23-FY25 have been restated from the Company's FY25 Annual Report based on more accurate calculations of diesel consumption in those years.

6.2.2 Energy purchased – electricity

All our sites are leased, not owned, by the Group. During FY26, we had control of, and paid for electricity supplied to, 14 operational sites and 1 residential location across four electricity networks, as outlined in Table 5 and Table 6. We do not control the sites of our customers and of other third parties, where our equipment is supplied for rental, and our workforce is deployed at times.

Of the 15 sites included in this estimate, 5 sites each had over 300 MWh of electricity usage and 4 sites had over 100 MWh each during FY26. Aside from the operational sites included in the estimate in Table 5, we pay for electricity at a number of other locations, predominantly residential properties provided for staff accommodation in remote locations. We estimate the 15 sites included in this report account for over 90% of the total electricity we purchased in FY26. FY26 electricity consumption has reduced by approximately 7% when compared against FY25.

Table 5. Main sites using purchased electricity

WA – Southwest	WA – Northwest	QLD	NSW
Perth workshops, warehouse and head office (x3)	Port Hedland and Newman workshops and Port Hedland residential (x4)	Mackay workshops and warehouse and Brisbane office (x5)	Rutherford and Gunnedah premises (x2)
Kalgoorlie workshops and warehouse (x1)			

Table 6. Electricity purchased (MWh)

Electricity purchased	FY26	FY25	FY24	FY23
WA – Southwest	1,846	2,096	2,037	1,790
WA – Northwest	273	460	675	815
QLD	1,029	882	931	894
NSW	593	572	659	692
Total	3,741	4,010	4,302	4,191
Variance vs FY25	-7%			

Notes:
- Quantity reported for NSW includes approximately 80% of which is passed through to an entity that subleases of our Rutherford site.
- FY26 data includes estimates for May and June. Data for FY23-FY25 have been restated from the Company's FY25 Annual Report to reflect actual consumption data for each of these years, rather than the estimates used in the previous reporting periods for the months of May and June.

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During FY25 and FY26, we worked with solar technology providers, and owners of some of our larger sites, to assess the feasibility of introducing solar generation to those sites, with a view to reducing our reliance on network electricity. As a result, we made an investment in solar PV panels on the roof of our Kalgoorlie workshop.

6.2.3 Operational GHG emissions

As shown in Table 7, our total Scope 1 and Scope 2 operational emissions in FY26 were 4,555 tCO_2e. Our operational emissions are split between diesel (53%) and electricity (47%) consumption. Our operational emissions were 6% lower in FY26 compared with FY25, largely due to lower electricity consumption and lower emissions factors for electricity purchased in New South Wales, Queensland and Western Australia.

When we refer to diesel as a source of our operational emissions, we are referring to diesel we purchase and use in our light vehicles and equipment operated by the Company. This excludes the diesel used in mining equipment which we rent to customers – as we do not typically operate, nor supply fuel for, the rental equipment. The GHG emissions from the diesel combusted in our rental fleet by our customers are included in our Scope 3 emissions.

These operational emissions are very low and are overshadowed in the value chain by our estimated Scope 3 emissions. The relative scale of our operational emissions versus our value chain emissions from outside our operating boundaries is illustrated in Figure 4.

Table 7. Operational GHG emissions (tCO_2e)

	FY26	FY25	FY24	FY23
Scope 1 emissions	2,411	2,412	3,176	2,970
Scope 2 emissions	2,144	2,414	2,570	2,474
Total	4,555	4,826	5,746	5,444
Variance vs FY25	-6%			

6.3 Scope 3 GHG emissions inventory – voluntary disclosure

Although disclosure of Scope 3 GHG emissions is not required for this Sustainability Report under AASB S2, Emeco has elected to voluntarily provide estimates of its material Scope 3 emissions. As highlighted by Figure 4, these Scope 3 emissions comprise the majority of Emeco's FY26 value chain emissions.

We are progressing work to map our Scope 3 emissions in more detail. Our current estimates are shown in Table 8 and Figure 5.

The largest sources of Scope 3 emissions in our value chain are Category 1 - Purchased goods and services; Category 2 – Capital goods; and Category 13 – Downstream leased assets. These categories refer to the categories suggested by the Greenhouse Gas Protocol's *The Corporate Value Chain (Scope 3) Accounting and Reporting Standard.*

Figure 4. Estimated FY26 value chain emissions (tCO_2e)

(Scope 3 emissions are a voluntary disclosure)

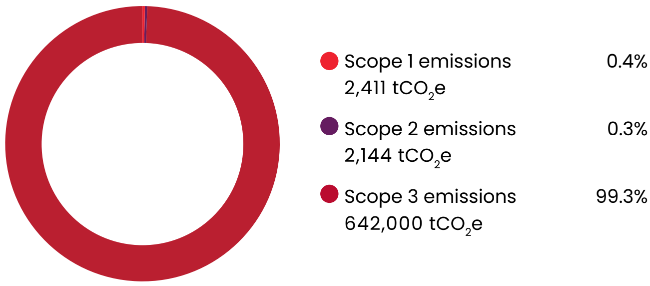

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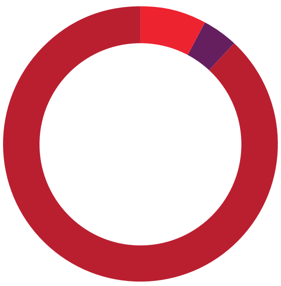
Table 8. Estimated Scope 3 emissions by category (tCO_2e) – voluntary disclosure

Upstream or downstream	Scope 3 category	FY26
Upstream	1. Purchased goods and services	51,000
	2. Capital goods	29,000
	3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	Not material
	4. Upstream transportation and distribution	Not material
	5. Waste generated in operations	Not material
	6. Business travel	Not material
	7. Employee commuting	Not material
	8. Upstream leased assets	Not applicable
Downstream	9. Downstream transportation and distribution	Not material
	10. Processing of sold products	Not applicable
	11. Use of sold products	Not applicable
	12. End-of-life treatment of sold products	Not applicable
	13. Downstream leased assets	562,000
	14. Franchises	Not applicable
	15. Investments	Not applicable
Total		**642,000**

Figure 5. Estimated FY26 Scope 3 emissions by source (tCO_2e)

(Scope 3 emissions are a voluntary disclosure)



6.3.1 Scope 3 Category 13 – Downstream leased assets – voluntary disclosure

As shown in Table 8 and Figure 5, the largest source of our Scope 3 emissions is the combustion of diesel fuel in the heavy mining equipment which we supply for hire. Our customers (or their customers) operate and supply fuel for this rental equipment, which results in the associated emissions being outside the operating boundary of our organisation.

We have estimated the diesel combusted in our rental fleet. In FY25, the estimate was 602,000 tCO_2e and in FY26 the estimate was 562,000 tCO_2e.

We have clean, reliable machine level fuel burn data for approximately 20% of the rental fleet. This subset represents our most common models, which allows us to extrapolate with a reasonable level of confidence across approximately 80% of the fleet. For the remaining portion where we do not have a direct baseline, we have applied OEM guidance and aligned load factors based on operating data we see in the samples we have.

As we further develop our EOS technology, we expect to enhance our ability to measure actual fuel use by our machines when deployed at our customers' sites. This knowledge will augment the OEM published generic information to enable us to refine our emissions calculations. As of June 2026, we have EOS installed on approximately 200 machines, assisting in fault diagnosis, fuel burn and condition monitoring to provide our customers with operator feedback. Expanding fleet coverage is a priority, with coverage of all critical fleet expected by FY28.

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6.3.2 Scope 3 Category 1 – Purchased goods and services and Category 2 – Capital goods – voluntary disclosure

The material source of emissions from our purchased goods and capital goods is from component parts included in our opex and capex spend.

These emissions are embedded during the production of iron and steel which is used in vehicles and machinery parts that we purchase for our LMV fleet, our rental fleet and some customers' machines. We are working with manufacturers and industry partners to explore a robust methodology for estimating these upstream emissions. Our estimates of emissions in FY26 using the spend methodology were 51,000 tCO_2e for Category 1 and 29,000 tCO_2e for Category 2.

6.4 Decarbonisation Plan

As outlined in Box 1, a key element of a Transition Plan is to set clear and measurable targets for GHG emissions across all operations and value chains. Emeco's Board discussed and approved our short- and medium-term targets and our commitment to NZE by 2050 across our value chain. Details of these targets and goals (including underlying assumptions) are set out below.

The majority of Emeco's capital expenditure is directed toward parts and equipment used in our workshops to service, maintain and rebuild mining equipment. This activity forms a central part of our contribution to a circular economy by extending asset working life and reducing the need for new equipment production. We also invest capital as required to grow and refresh our rental fleet.

In addition, we are investing in technology and emissions measurement capabilities that directly support our climate-related strategy, including our fleet management platform that helps customers reduce fuel burn and associated emissions. The specific quantum of capital deployed toward climate-related activities is not separately disclosed at this time, but these investments are monitored as part of our strategy and annual budget processes.

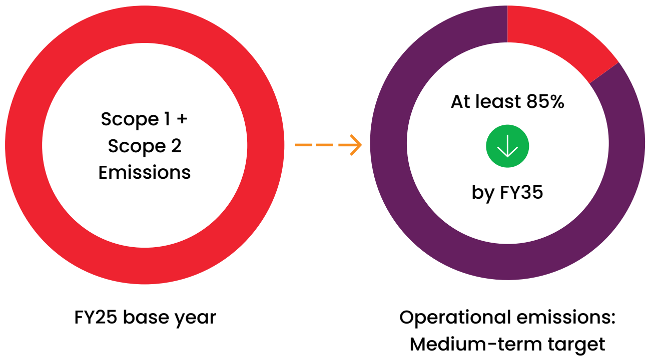
6.4.1 Scope 1: short-term target

As a short-term target, Emeco has committed to replacing 10% of its light vehicle fleet in FY27 with more efficient, lower emission vehicles. We estimate that this will be about 40 vehicles next financial year.

6.4.2 Scope 1 and 2 emissions: medium-term target

In July 2026, the Board approved Emeco's medium-term target to reduce our Scope 1 and Scope 2 emissions by at least 85% by FY35 (relative to FY25 levels), as outlined in Figure 6. Our definitions and assumptions are outlined in Table 9.

Figure 6. Operational GHG emissions medium-term target



We defined our medium-term target in support of Australia's updated Nationally Determined Contribution (NDC) to the United Nations. All countries committed to the Paris Agreement must submit a more ambitious NDC to the United Nations every 5 years. In September 2025, the Australian government announced a national target to reduce GHG emissions by 62–70% below 2005 levels by 2035. Although our operational emissions are small, our target is ambitious and will rely on opportunities to transition our own fleet away from diesel and to procure higher levels of renewable electricity for our operations. In achieving this target, we will make a small but meaningful contribution to the national target for 2035.

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Table 9. Short- and medium-term targets and long-term value chain net zero goal: definitions and assumptions

Description	**Short-term target:** Replace 10% of our light vehicle fleet in FY27 with more efficient, lower emission vehicles. **Medium-term target:** Reduce operational GHG emissions by at least 85% from FY25 levels by FY35. **Long-term net zero goal:** Achieve net zero emissions across the value chain by 2050.
Baseline year	**Medium-term target:** FY25.
Type and reduction	**Short-term target:** Operational metric with direct link to reduction of Scope 1 emissions. **Medium-term target:** Type: Absolute| Reduction: At least 85%. **Long-term net zero goal:** Type: Absolute | Reduction: 100%.
Net or gross emissions target	**Short-term target:** Operational metric designed to reduce Scope 1 emissions. **Medium-term target:** Gross. **Long-term net zero goal:** Net.
Boundary	**Short-term target:** Limited to LMV fleet only. **Medium-term target:** Scope 1 and Scope 2 emissions. Operational control. **Long-term net zero goal:** Scope 1, Scope 2 and Scope 3. Full value chain.
The part of Emeco to which the target/goal applies	**Short-term target:** LMV fleet only. **Medium-term target:** All of Emeco company operations. **Long-term net zero goal:** Emeco's full value chain.
Exclusions	Nil.
GHGs included	CO_2, CH_4, N_2O, HFC, SF_6
Sectoral decarbonisation approach	Not applicable.
Offsetting	**Short-term target:** Not applicable. **Medium-term target:** No offsets are expected to be used. **Long-term net zero goal:** Offsets may be required depending on progress made by our suppliers and customers.
Measurement approach	Scope 1 emissions are calculated using *National Greenhouse Accounts (NGA) Factors* published by the Commonwealth Department of Climate Change, Energy and Water and methodologies outlined in the *Greenhouse Gas Protocol*. Scope 2 emissions are calculated using the location-based method using factors in the *National Greenhouse Accounts (NGA) Factors*. Scope 3 Categories 1 and 2 emissions are calculated using emissions factors from the US EPA – *Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities*; Scope 3 Category 13 emissions are calculated as per Scope 1 emissions.
The international agreement informing the target	Paris Agreement to limit global warming to 1.5°C.
Key adjustments made to baseline and subsequent data	Not applicable – new targets and goal set in FY26.
Performance adjusted	Not applicable – new targets and goal set in FY26.
Target or goal setting method	**Short-term target:** first step in line with medium-term target. **Medium-term target:** our target was set to support the Australian Government's 2035 NDC. **Long-term net zero goal:** Our goal was developed with the ambition to achieve net zero across our value chain by 2050 in line with the Paris Agreement and consistent with the goals of the Australian Government and many of the largest mining companies operating in Australia.
Process for reviewing the setting of the target or goal	We will review our medium-term target and long-term goal if there are major events which warrant a review, for example a major change to our portfolio of contracts with mining customers or any change in Australian Government policy.

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Process for monitoring progress towards the target or goal	We will monitor our progress with reports from the ESG Committee to the ARMC and Board.
Third-party validation of our target and goal	No, but we will obtain limited assurance over our externally reported performance against our short- and medium-term targets in next year's Sustainability Report.
Expected progression	Progress towards our medium-term target and long-term goal is expected to be non-linear and affected by changes in our business and the availability, capability and competitiveness of low emissions technology.
Assumptions and contingencies	• The technology for low emission LMV and heavy vehicles will continue to develop to ensure commercial availability at scale in Australia, at a pace in line with our targets • Our customers will be receptive to low emission technologies for heavy mobile equipment, in line with the transition to a low carbon economy • Suppliers of heavy mobile equipment for the mining industry will continue to realise opportunities to reduce embedded carbon in their products

As we mature our understanding of the opportunities and associated costs to reduce our operational emissions, it is possible that Emeco may achieve success ahead of its current timeline for its medium-term target. If that is the case, then we will review our target to reflect the opportunities identified.

Our current focus is on reducing our Scope 1 emissions from our company LMV fleet and our Scope 2 emissions from purchased electricity. We will monitor our progress towards our short- and medium- term targets, with the ESG Committee reporting this progress to the ARMC. Decarbonisation levers potentially available to Emeco are outlined in Table 10.

It is also possible to source high-integrity Australian Carbon Credit Units (ACCUs) to offset our operational emissions. At this stage, our plan is to meet our medium-term target through structural GHG emissions abatement, however we may consider offsetting, for example where there are limited alternatives for purchased electricity at leased sites.

One of our key metrics is the renewal of our company-operated light vehicles and equipment with high efficiency, hybrid or fully electric vehicles. Table 11 outlines our recent progress. Our short-term target will build on this progress in FY27.

Table 10. Potential decarbonisation levers for our medium-term target

Scope 1 – diesel reduction and replacement	**Scope 2 – increasing use of renewable electricity**
• Energy efficiency measures including IVMS.	• Installation of solar PV at Emeco's workshops.
• LMV fleet renewal with high efficiency diesel, hybrid and electric vehicles.	• Purchasing GreenPower through electricity retailer(s).
• Install electric charging facilities at company sites using renewable electricity supply.	• Voluntarily purchasing large-scale generation certificates (LGCs) to reduce MWhs of electricity covered by Scope 2 emissions.
• Operate LMV fleet on renewable diesel.	• Increasing penetration of renewable electricity in electricity grids will reduce location-based emission factors for purchased electricity across Australia.

Table 11. Uptake of lower emission vehicles in our company's LMV fleet

	FY26	FY25	FY24	FY23
Total vehicles in company's LMV fleet	340	322	288	265
Number of higher efficiency diesel LMVs	192	150	110	93
Number of hybrid/electric LMVs	1	1	1	0
Percentage of higher efficiency and hybrid/ electric LMVs in total company fleet	57%	47%	39%	35%

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6.4.3 Long-term value chain net zero goal

Based on the public commitments from suppliers, customers and governments, Emeco's Board has endorsed the commitment to net zero emissions by 2050. This is in line with commitments from many of the largest mining companies operating in Australia. There will be challenges across this Transition Plan as many of the technologies required are in the early stages of development and are yet to become commercially available and economically viable.

While Emeco does not have a medium-term Scope 3 emissions reduction target, we continue to focus on refining our measurement of our Scope 3 emissions and our engagement with key suppliers, customers and industry leaders.

We understand that our customers are assessing a wide range of technologies and Emeco is actively engaged in a number of workstreams with proponents that are likely to facilitate the transition to net zero emissions in the Australian mining sector.

In our value chain, the main decarbonisation levers are outside of our direct control, so engagement is essential. The main challenges are the decarbonisation of the embedded emissions in steel and other materials required for mining equipment and spare parts (our Scope 3 Category 1: Purchased goods and Category 2: Capital goods) and the replacement of fossil fuel-derived diesel technologies for mining vehicles and equipment (our Scope 3 Category 13: Downstream leased assets).

With the significant focus globally on research, development and commercialisation of green steel, there is an optimism that solutions may be identified over coming decades, allowing broad uptake prior to 2050. We will continue to monitor global trends and engage with our suppliers to better understand progress in the steel industry and the implications for the goods that we purchase.

In order to accelerate diesel replacement in mining operations, key technologies and infrastructure upgrades are required at scale, to be proven safe and reliable and to be commercially competitive. In terms of diesel that is used in our rental equipment at mine sites, there are identified replacement options. Electrification is one of the preferred options, however, suitable infrastructure is required to support electrification, for example renewable generation and grid extensions. While a number of trials are underway in Australia, it is important to acknowledge that adoption rates across Australian mining sites will not be linear.

Some of our customers have identified both benefits as well as challenges with new technologies. As an example, electric haul trucks (compared to current state diesel haul trucks) are expected to have superior fuel-to-wheel energy efficiency and trucks are able to drive faster on trolley assist than on diesel motors. The challenges include integrating a mix of static and dynamic charging, how electrification impacts mine design and mine planning, and the risks associated with managing new technologies. Emeco is maintaining a watching brief through a range of partnerships, specifically our partnership with XCMG, to provide services for battery-electric heavy mobile mining equipment in Australia.

Renewable diesel is also seen as a possible diesel replacement, however there is limited availability in Australia today. In its *Net Zero Plan*, the Australian Government outlines a pathway to achieve net zero by 2050 and has committed $1.1 billion to support the production of low carbon liquid fuels (LCLF), including renewable diesel, in Australia. This investment may result in uptake of renewable diesel by our customers, and we will monitor progress on this front.

While many of our customers have disclosed that they are working on a range of trials and are making substantial investments, our customers are not forecasting any significant reduction in their diesel emissions from mobile mining equipment pre-2030. Their long-term decarbonisation pathways generally suggest that diesel replacement will accelerate after 2035 and by 2050 most of the fossil fuel derived diesel will be removed from their operations in Australia.

Based on the global efforts to commercialise decarbonisation levers, and feedback from our suppliers and customers, we similarly commit to NZE by 2050.

7. Directors' declaration

In the opinion of the Directors of Emeco Holdings Limited (the Company), the Company has taken reasonable steps to ensure the substantive provisions of the Sustainability Report of the Company and its controlled entities (the Group) for the year ended 30 June 2026 as presented on pages 26 to 48, are in accordance with the *Corporations Act 2001* (Cth), including:

(a) Complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures*; and

(b) Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001* (Cth).

Made in accordance with a resolution of the Directors of Emeco Holdings Limited.

On behalf of the Board on 19 August 2026.

Ian Testrow
Managing Director &
Chief Executive Officer

Sustainability Report

8. Auditor's report

Deloitte.

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Independent Auditor's Review Report to the Members of Emeco Holdings Limited

Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Emeco Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2026 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* ("ASSA 5010") issued by the Auditing and Assurance Standards Board ("AUASB"):

Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* ("AASB S2") (including related general disclosures required by Appendix D)	Location in the Sustainability Report
Governance	Paragraph 6	Section 3.1 to 3.2 on pages 29 to 32 excluding Box 1 on page 29
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Section 4.1.1, 4.1.2, 4.2.1 to 4.2.2 on pages 32 to 39
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section 6.2.3 on page 43 excluding prior period comparatives

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the "Act").

We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for Conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* ("ASSA 5000") issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the '*Summary of the Work Performed*' section of our report below. Our responsibilities under ASSA 5000 are further described in the '*Auditor's Responsibilities*' section of this report.

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We are independent of the Group in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024 (the "Code"), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

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

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the Group 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 2026 but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. The other information includes the financial report upon which we have performed an audit and issued a separate auditor's report.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the Specified Sustainability Disclosures

The Directors of the Group are responsible for:

a) The preparation of the specified Sustainability Disclosures in accordance with the Act; and
b) Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations in Preparing the Specified Sustainability Disclosures

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

The specified Sustainability Disclosures include judgements and assumptions about future events and circumstances. Actual outcomes may differ from those described and, accordingly, the disclosures are subject to a higher level of inherent uncertainty.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

Sustainability Report

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As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. 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.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Performed inquiries, walkthroughs, and inspection of documentation to understand the processes, systems, methodologies and personnel involved in preparing the specified Sustainability Disclosures.
- Inspected internal information (e.g. Board meeting minutes, committee charters and internal policies) supporting the Governance disclosures.
- Assessed the appropriateness of management's determined reporting boundary.
- Assessed the completeness and accuracy of disclosed climate-related risks and opportunities based on management's process and judgements to identify material information for disclosure.
- Tested on a sample basis Scope 1 and 2 emissions data and emission factors and assessed management's estimation methods against the relevant requirements of AASB S2 and the GHG Protocol.
- Reconciled the specified Sustainability disclosures in the Sustainability Report to the underlying outcome of procedures performed.
- Evaluated the disclosure and overall presentation of the specified Sustainability Disclosures against the relevant requirements of AASB S2.

Other Matters

The comparative information for Scope 1 and Scope 2 emissions was not subject to assurance in the prior year. In connection with our review of the specified Sustainability Disclosures, our responsibility is to determine whether the comparative information not subject to assurance in the prior year, is appropriately presented, by evaluating its consistency with the disclosures presented in the prior period and the consistency of the criteria with the criteria applied in the current period. Our conclusion is not modified in respect of this matter.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A T Richards
Partner
Chartered Accountants
Perth, 19 August 2026

N H Gordon
Partner
Chartered Accountants
Perth, 19 August 2026

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9. AASB S2 alignment

Topic	Section
Governance	
6 (a) (i)	3.1
6 (a) (ii)	3.1
6 (a) (iii)	3.1
6 (a) (iv)	3.1
6 (a) (v)	3.1
6 (b) (i)	3.2
6 (b) (ii)	3.2
Strategy	
9 (a)	4.1.1, 4.1.2
9 (b)	4.1.1, 4.1.2
9 (c)	4.1.1, 4.1.2
9 (d)	4.1.2
9 (e)	4.1.1, 4.1.2
Climate-related risks and opportunities	
10 (a)	4.1.1, 4.1.2, 4.2.1
10 (b)	4.2.1, 4.2.2
10 (c)	4.2.1, 4.2.2
10 (d)	4
Business model and value chain	
13 (a)	4.1.1, 4.1.2
13 (b)	4.1.1, 4.1.2, 4.2.2
Strategy and decision-making	
14 (a) (i)	4.1, 4.1.1, 4.1.2
14 (a) (ii)	4.1.2
14 (a) (iii)	4.1.2, 4.2.1, 4.2.2
14 (a) (iv)	2, 4, 6.4
14 (a) (v)	6.4.1, 6.4.2, 6.4.3
14 (b)	3.2
Financial position, financial performance and cash flows	
15 (a)	4.1.2, 4.2.1
15 (b)	4.1.2, 4.2.1
16 (a)	4.2.2
16 (b)	4.1.2, 4.2.1
16 (c) (i)	3.1, 4.1.2
16 (c) (ii)	3.1

Topic	Section
16 (d)	4.1.2
19 (b)	4.1.2
21 (a)	3.1, 4.1.2
21 (b)	4.2.2
21 (c)	3.1, 4.1.2, 4.2.2
Climate resilience	
22 (a) (i)	4.2.1, 4.2.2
22 (a) (ii)	4.2.1, 4.2.2
22 (a) (iii) (1)	4.2.1
22 (a) (iii) (2)	4.1.2, 4.2.1
22 (a) (iii) (3)	4.2.1
22 (b) (i) (1)	4.2.1, 4.2.2
22 (b) (i) (2)	4.2.1, 4.2.2
22 (b) (i) (3)	4.2.1, 4.2.2
22 (b) (i) (4)	4.2.1, 4.2.2
22 (b) (i) (5)	4.2.1, 4.2.2
22 (b) (i) (6)	4.2.1, 4.2.2
22 (b) (i) (7)	4.2.1, 4.2.2
22 (b) (ii) (1)	4.2.1, 4.2.2
22 (b) (ii) (2)	4.2.1, 4.2.2
22 (b) (ii) (3)	4.2.1, 4.2.2
22 (b) (ii) (4)	4.2.1, 4.2.2
22 (b) (ii) (5)	4.2.1, 4.2.2
22 (b) (iii)	4.2
Risk Management	
25 (a) (i)	5
25 (a) (ii)	4.2.1, 4.2.2
25 (a) (iii)	5
25 (a) (iv)	3.1
25 (a) (v)	5
25 (a) (vi)	5
25 (b)	4.2.1, 4.2.2, 5
25 (c)	5
Metrics & Targets	
28 (a)	6.2, 6.2.3, 6.3, 6.3.1, 6.3.2
28 (c)	6.4.1, 6.4.2, 6.4.3

Topic	Section
Climate-related Metrics	
29 (a) (i) (1)	6.2, 6.2.3
29 (a) (i) (2)	6.2, 6.2.3
29 (a) (i) (3)	6.2, 6.3, 6.3.1, 6.3.2
29 (a) (ii)	1
29 (a) (iii) (1)	1
29 (a) (iii) (2)	1
29 (a) (iii) (3)	1, 6.2, 6.3, 6.3.1, 6.3.2
29 (a) (iv) (1)	1, 6.2
29 (a) (v)	1, 6.2, 6.2.2, 6.2.3
29 (a) (vi) (1)	6.3
29 (b)	4.2.1
29 (c)	4.2.2
29 (d)	4.2.1
29 (e)	4.1.2, 6.4
29 (f) (i)	3.1
29 (g) (i)	3.1
29 (g) (ii)	3.1
Climate-related Targets	
33 (a)	6.4.1, 6.4.2, 6.4.3
33 (b)	6.4.2
33 (c)	6.4.2
33 (d)	6.4.2
33 (e)	6.4.2
33 (f)	6.4.2
33 (g)	6.4.2
33 (h)	6.4.2, 6.4.3
34 (a)	6.4.2
34 (b)	6.4.2
34 (c)	6.4.2
34 (d)	6.4.2
36 (a)	6.4.2
36 (b)	6.4.2
36 (c)	6.4.2
36 (d)	6.4.2
36 (e) (i)	6.4.2

10. Glossary

Acronym/word	Definition
AASB	Australian Accounting Standards Board
ARMC	Audit and Risk Management Committee
CCUS	Carbon capture, use and storage
CEO	Chief Executive Officer
CO_2; CO_2e	Carbon dioxide; carbon dioxide equivalent
Company	Emeco Holdings Limited and its controlled entities
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CV	Calorific value
EAF	Electric Arc Furnace
EOS	Emeco Operating System
ESG	Environmental, Social & Governance
Force	Force Equipment Pty Ltd
FY	Financial year
GHG	Greenhouse gas
Group	Emeco Holdings Limited and its controlled entities
Gt	Gigatonne
HR	Human resources
HSET	Health, Safety, Environment and Training
ICE	Internal combustion engine
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
IVMS	In-vehicle monitoring systems
KMP	Key management personnel
KRI	Key risk indicator
LCLF	Low carbon liquid fuels
LGCs	Large-scale generation certificates (LGCs)
LMV	Light motor vehicle
LTIP	Long-term incentive plan
MWh	Megawatt hour
NDC	Nationally Determined Contribution
NGER	National Greenhouse and Energy Reporting
NZE	Net zero emissions (Note 6)
PV	Photovoltaic
OEM	Original equipment manufacturer
RAS	Risk appetite statement
Risk Framework	Emeco's structured set of guidelines that helps the Company identify, assess, mitigate, and monitor risks and opportunities.
RNC	Remuneration and Nomination Committee

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Acronym/word	Definition
SMUs	Service meter units
STI	Short-term incentive plan
tCO_2e	Tonnes of carbon dioxide equivalent
WEO-2021	World Energy Outlook 2021
XCMG	XCMG Mining Equipment Australia Pty Ltd
$	Australian dollars, unless otherwise stated

11. Notes

1. Ingwersen, W. AND M. Li. Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-20/001, 2020 https://cfpub.epa.gov/si/si_public_record_Report.cfm?dirEntryId=349324&Lab=CESER.
2. https://www.mdpi.com/2071-1050/16/14/5951#:~:text=Abstract,systematic%20differences%20between%20mining%20operations.
3. https://www.emecogroup.com/assets/reports/20250519-XCMG-Emeco-Partnership.pdf
4. https://emecogroup.com/assets/reports/Trading-Update-FY26-results-expectations-and-FY27-outlook.pdf; emecogroup.com/assets/reports/Investor-presentation-%E2%80%93-Macquarie-conference.pdf.
5. https://www.komatsu.com/en-us/case-studies/indonesia-coal-mine-reduces-haul-truck-fuel-consumption.
6. "Zero emission", when used in relation to vehicles or power systems means that:

   (a) a vehicle's exhaust, or the power system, only emits water vapour when in operation; or

   (b) if the vehicle or power system is 100 per cent battery powered then the vehicle, or power system, does not emit any exhaust emissions.

Other voluntary sustainability reporting

1. Emeco's commitment to sustainability

Beyond our climate-related disclosures under AASB S2, Emeco remains committed to voluntary reporting across other sustainability-related areas. This section outlines our performance and impact across other key sustainability areas.

2. People

Emeco recognises that our people are crucial to our long-term success. Every worker has the right to work in a safe and supportive setting.

We are committed to creating a safe and healthy work environment by implementing comprehensive risk management and safety processes, providing regular training, and encouraging a culture of awareness and responsibility.

We continue to foster an inclusive workplace for all employees which values and embraces diversity. We invest in training and resources for employees focused on health, safety, wellbeing and upskilling.

2.1 Risk management

Risk management at Emeco is overseen by the Board with the assistance of the Audit and Risk Management Committee. We safeguard our people, reputation, assets, and the environment by understanding and managing risk, as well as by ensuring that we identify opportunities to best serve the long-term interests of all our stakeholders.

At an operational level, providing a safe place of work requires significant effort to ensure workplace hazards are recognised and that the risks posed by these hazards are managed. We focus on the most significant hazards and on the critical activities, systems, and hardware that control our people's exposure to those hazards. This effort is guided by a safe system of work that encompasses the policies, standards, processes, and procedures that direct our people on how work is to be done – with particular focus on the critical controls.

Emeco identifies threats to the health and safety of our workforce and the communities in which we operate as a material social risk, which we actively seek to minimise. Significant risks in Emeco's operations that could result in serious injury or fatality have been identified and categorised into a number of critical focus areas, managed through Emeco's Core Risk Control Protocols (supported by Emeco's set of Lifesaving Rules).

2.2 Health and safety

Our FY26 health and safety priorities align with the key objectives of our Health, Safety and Environment and Training (**HSET**) strategy, which aims to embed safety in the workplace. We believe a safe workplace is the foundation of a strong organisation. To this end, we have established health and safety protocols that are regularly reviewed and updated in keeping with industry standards and regulations. The HSET Strategic Plan brings focus to our safety culture and continually improves the physical safety of our workplaces and systems of work.

In FY26, we maintained a significant focus on identifying and eliminating critical risks that could lead to a fatality or serious accident, concentrating on disciplined safety fundamentals. We completed a review of our Critical Risk Profiles which identified two additional Critical Risks (Fire & Explosion and Contact with Electricity) in FY26. Associated bowties and in-field verification tools were developed and implemented across the Group to address these risks. FY26 also saw the transition of our critical risk program into our existing safety management system.

An external WHS gap analysis was undertaken by our insurers with alignment to ISO 45001, with recommendations forming part of our 2026 Annual HSET Strategic Plan. No major non-conformances were identified.

2.3 Safety performance

The ultimate success in achieving a zero-harm workplace depends on the engagement of Emeco's people. We continue investing in the training and development of our personnel to enhance our capabilities as an organisation, particularly with respect to safety performance. Emeco's safety performance for FY26 is summarised below:

- There were zero fatalities recorded across the Group's operations (zero in both FY26 and FY25).
- The Total Recordable Injury Frequency Rate (**TRIFR**) was 2.3, a decrease from 3.4 in FY25.
- Regrettably, there was one Lost Time Injury in FY26 (increase from zero in the prior year).

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Table 1 below presents our safety performance frequency rate measures for FY26 compared to the prior year, and Table 2 provides a five-year view of Emeco's LTIFR and TRIFR performance trends.

Table 1: Safety performance frequency rate measures

	TRIFR	LTIFR	RWIFR	MTIFR
FY26	2.3	0.4	0.4	1.6
FY25	3.4	0.0	2.1	1.3

RWIFR = Restricted Work Injury Frequency Rate. MTIFR = Medically Treated Injury Frequency Rate.

Table 2: Five years of average annual LTIFR & TRIFR performance

	FY26	FY25	FY24	FY23	FY22
LTIFR	0.4	0.0	0.0	0.3	0.0
TRIFR	2.3	3.4	2.8	3.2	1.9

FY23 TRIFR was restated from 2.9 to 3.2 due to a data correction.

2.4 Training management

Training is the cornerstone of our health and safety strategy. We provide ongoing education and training programs to ensure that all workers are well-versed in safety practices and procedures. This includes initial training for new workers as well as continuous learning opportunities for existing employees. Detailed reviews have been undertaken of each work area's training needs to ensure our training content reflects the requirements of our workforce and our business. We continually review, standardise and deliver training programs associated with the identification and control of hazards, including structured processes such as Job Safety Environmental Analysis (**JSEA**), Hazard Identification and Risk Management training.

To ensure workers arrive on site job-ready, face-to-face (classroom) maintenance inductions are held each week. This induction includes general maintenance information, verification of competency on specific equipment, and training in Emeco's safety system. Emeco's HSET Strategic Plan brings focus to our safety culture, and in FY26 it continued to drive the development and implementation of a range of initiatives, including:

- Continued rollout of Project Manager / Supervisor training program for new and existing leaders across the Group.
- Implementation of Leading Hand training package.
- Standardisation of training requirements for roles across the Group.
- Commencement of in-field manual handling training for our workers.
- Ongoing delivery of statutory supervisor training.
- Continued internal safety management system audits conducted at multiple sites.
- Transition of critical control verification to existing safety management system and rollout applicable training.
- Chain of responsibility training rolled out nationwide.

These initiatives build upon the foundation laid in the prior year and are aimed at continuously strengthening Emeco's safety management system and culture.

2.5 People and culture

With changing market forces and increasing demand for skilled labour, Emeco continues to invest in developing the skills of our employees not only to aid our business, but also to benefit each employee's career growth. Emeco believes that this approach will help reaffirm and maintain our position as an employer of choice.

Our apprenticeships program, and upskilling of employees in general, remain important focus areas. We aim to have up to two intakes of apprentices each year. During FY26, around 16 new apprentices commenced their training with us, and about 10 apprentices completed their training. At the end of FY26, we had 61 apprentices progressing through their training.

Emeco uses Myosh (a health, safety and environment management platform) to capture a variety of workplace interactions and data. In FY26 we continue to use the 'People and Workplace Culture Discussion' module in Myosh, to help us learn from conversations about workplace culture. The module consists of a set of questions designed to prompt and guide managers when checking in with team members, with the objective of encouraging our teams to consider workplace culture as an integral contributor to, and driver of, health and safety outcomes. The guide within this module is centred around Emeco's core values being accountability for our work, pride in our work, open communication, personal and professional growth, family, and teamwork. The information gathered from these interactions helps to surface and address any cultural issues that might impact safety or wellbeing.

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2.6 Workforce profile

In FY26, our focus was on the retention and growth of our skilled workforce. We recognise that workforce stability and quality are essential to fostering a positive workplace culture. Consequently, our ongoing efforts have been directed towards reducing dependency on subcontracted labour by attracting, retaining and developing a high-quality permanent workforce. As of 30 June 2026, Emeco's total headcount was 988, up from 909 in FY25.

Detailed below are the numbers of employees at 30 June 2026, broken down by employment type, job classification, gender and age demographics.

Table 3: Workforce by contract type

	Full Time	Part Time	Casual	Total
FY26	863	8	117	988
FY25	791	8	110	909

Table 4: Workforce by job classification, gender and age

		Gender		Age			
Job classification	**Total**	**Female**	**Male**	**< 30**	**31-40**	**41-50**	**51+**
CEO	1		1				1
Key Management Personnel	1	1					1
General Managers and Senior Managers	25	4	21		9	12	4
Other Managers	31	3	28		16	9	6
Professionals	109	38	71	16	34	30	29
Sales	10	3	7	1	3	2	4
Clerical & Administrative	85	67	18	28	29	11	17
Technicians and Trades	600	7	593	112	244	138	106
Apprentices and Trainees	61	5	56	56	5		
Machinery Operators & Drivers	12	1	11	3	2	4	3
Labourers	53	3	50	7	12	21	13
Total	**988**	**132**	**856**	**223**	**354**	**227**	**184**

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2.7 Diversity

At Emeco, we value and embrace diversity and inclusion as fundamental pillars of our organisational culture. We believe that a diverse workforce – inclusive of various backgrounds, perspectives, and experiences – fosters innovation, enhances decision-making, and drives business success. Our commitment to creating an inclusive environment ensures that every team member feels respected, valued, and empowered to contribute to their fullest potential.

Each year, Emeco's Board sets measurable objectives to achieve greater workplace diversity. These objectives aim to build a more diverse workforce and to promote diversity and inclusion across all levels of the organisation.

Overall, women represent 13% of our total workforce, and approximately 36% of employees in non-technical/support roles, as at the end of FY26. Female representation at senior management levels is approximately 19%. At the commencement of FY26, Emeco had one female board member. Ms Adam-Gedge, a non-executive director and the former chair of the Company's Audit and Risk Management Committee, retired from the board on 20 November 2025. Emeco is committed to developing and promoting female talent in leadership positions and remains focused on initiatives to recruit, develop, and retain women at Emeco.

Where an employee has self-identified as having family heritage from Australia's First Nations peoples, we record this information. Based on available data, around 2% of our workforce at the end of FY26 identified as Aboriginal or Torres Strait Islander, and we are working to improve the completeness of this information through voluntary self-identification opportunities.

In accordance with the requirements of the Workplace Gender Equality Act 2012 (Cth), Emeco's annual compliance report is submitted to the Workplace Gender Equality Agency each year. Emeco's FY26 WGEA report was submitted in line with WGEA reporting requirements, and the certificate of compliance is available in the sustainability section of Emeco's website at http://emecogroup.com/sustainability.

3. Ethical conduct and governance

Emeco is committed to being seen as a trusted partner of choice, creating meaningful value for customers and shareholders over the long-term. The way Emeco conducts business is therefore integral to its success.

Emeco has adopted a number of corporate governance policies detailing its approach in areas such as anti-bribery and corruption, diversity, human rights and whistleblowing. Copies of these policies are available on Emeco's website at https://emecogroup.com/who-we-are/corporate-governance. The Board, with the assistance of its committees, oversees Emeco's corporate governance policies, which are reviewed periodically.

In particular, all employees are required to comply with Emeco's code of conduct. The code is designed to ensure that employees maintain a high standard of corporate and individual behaviour and act in an ethical and professional manner in all of Emeco's business relationships, consistent with Emeco's values.

Any instances of misconduct or other reportable conduct in respect of Emeco can be reported through Emeco's Whistleblower Policy. Reports can be made anonymously, including through Stopline, a confidential and independent third-party provider of whistleblowing services. The Whistleblower Policy sets out a procedure for any such reports to be investigated, with protections for whistleblowers against detrimental action.

As an ASX-listed company, Emeco publishes an annual corporate governance statement detailing its corporate governance structures and practices and its compliance with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations.'
The Company's FY26 corporate governance statement is available on the Company's website at www.emecogroup.com/who-we-are/corporate-governance.

4. Community and supply chain

FY26 saw Emeco strengthen supply chain governance and deepen community impact, reducing supplier risk through consolidation and contract coverage, expanding modern slavery due diligence, and increasing Indigenous engagement and investment in the communities where we operate.

4.1 Supply chain

All suppliers are required to adhere to our supplier code of conduct, which sets out the minimum standards of behaviour that Emeco requires its suppliers to meet, including in the areas of workplace health and safety, labour and human rights, environmental compliance, emergency preparedness and information reporting. Suppliers' ability to meet or exceed standards detailed in the supplier code of conduct will be taken into account by Emeco when making procurement decisions. A copy of Emeco's supplier code of conduct is available on Emeco's website at https://emecogroup.com/assets/Supplier-Code-of-Conduct.pdf.

Throughout FY26 our procurement program delivered substantial value and strategic alignment across the organisation, demonstrating Emeco's commitment to financial sustainability and continued improvement.

Notably across FY26:

- We maintained our supplier base below 1,000. This has streamlined operations, enhanced supplier relationship management and enabled stronger negotiation and value attraction positions through aggregation of spend.
- We grew our spend under contract from 65% to 71%, improving cost predictability, compliance and risk mitigation. This underscores our commitment to structured, value-driven sustainable procurement practices.
- We updated and reinforced our supplier code of conduct and increased governance and information collection in our electronic supplier onboarding process, including the use of an electronic platform to conduct sanction checks.

4.2 Modern slavery

Emeco is committed to continuously improving our human rights and modern slavery governance framework. We assess and seek to mitigate the risks of modern slavery in our operations and supply chain at the time of vendor engagement and conduct periodic analysis of our supplier pool and spend profile. This review has consistently indicated that the risk of modern slavery for Emeco is low.

Analysis will continue at regular intervals to help identify any spend categories, suppliers or supplier groups that may present heightened modern slavery risk factors. In addition to the mapping of our risk, a deep dive will usually be conducted on 2-3 suppliers each year on the basis of spend or on the basis that they operate in a sector predisposed to higher human rights risk, providing increased visibility of risk and allowing action as required.

Each year, in accordance with our reporting requirements under the Modern Slavery Act 2018 (Cth), Emeco publishes a Modern Slavery Statement summarising the Group's actions in this area. Prior years' statements are available on the Company's website at http://emecogroup.com/sustainability. Emeco's FY26 Modern Slavery Statement will be published during FY27 (covering the actions and undertakings of the year just ended).

4.3 Indigenous engagement

Emeco is committed to providing access to opportunities for local and Aboriginal and Torres Strait Islander peoples, businesses and communities in the areas in which it operates. As part of this, measurable objectives are set to increase and promote workplace diversity.

In particular, Emeco seeks to increase engagement with First Nations suppliers through embedding Indigenous participation in sourcing activities. We continue to explore opportunities to partner with First Nations suppliers and in FY26 have added supply nation certified companies to labour hire and recruitment panels, in addition to the arrangements with First Nations suppliers through our industrial hardware and office stationery agreements. Emeco's spend with First Nations suppliers was 3 times the FY25 level.

We have also been exploring partnerships with First Nations companies through joint tender opportunities and have submitted several bids with First Nations partners.

4.4 Community engagement

Emeco is committed to maintaining mutually beneficial, sustainable relationships with the communities in regions where Emeco operates.

Through Emeco's Community Grants Program, employees can nominate community groups to receive grants that help fund those groups' activities. The program, launched in FY21, makes contributions to community causes that our employees identify as meaningful to them.

Grants under this program totalled approximately $235,000 in FY26 across 25 philanthropic events, up from approximately $175,000 in FY25. Our criteria for community giving have so far focused on projects that promote youth and junior sports and physical activity, that care for the mental wellbeing of our workers and their families, or provide community support.

Business Risks

Business Risks

Emeco's short to medium term operational and financial success may be impacted by a number of risk factors which may be material to the Company if multiple risks eventuated at the same time or for a prolonged duration. Some of the more material risks and mitigation strategies include, but are not limited to:

	Risk	***Risk profile (italicised)*** **and mitigation strategies**
People and Culture	***HSE and Training*** Serious injury or fatality.	*There are a range of potential safety hazards to which Emeco's employee and contractor workforces, and visitors are exposed. Where a serious risk results in the worst-case scenario, it can lead to serious injury or fatality to people while undertaking activities or attending locations in connection with the Emeco business. Apart from the direct workers' compensation expense, this may adversely impact operational performance or the Company's ability to continue operations. Further, an employer who is found to be engaged in negligent conduct that results in a workplace death, may face penalties, imprisonment, legal costs, and reputational impacts.* *Emeco endeavours to continuously improve its management and mitigation of this risk through ongoing enhancements to safety plans, processes and resources, and providing ongoing training and safety alerts to employees.* *Emeco promotes a culture of 'safety first' and takes a robust approach to mapping and auditing controls across key processes. Additionally, Emeco is developing and delivering training to ensure workers are appropriately skilled and aligned to the Company's focus on safety. Senior leadership meet regularly to review and address safety related incidents and patterns of compliance to training.*
	Labour Shortage Inability to recruit/retain sufficiently qualified/skilled people in a highly competitive labour market.	*Emeco's growth and profitability may be limited by loss of key operating personnel, inability to recruit and retain skilled and experienced employees or by increases in employee costs. The industry has experienced labour shortages (particularly skilled labour) at different times in the commodity cycle.* *Maintaining a capable, engaged and high-performing workforce remains a strategic priority for Emeco.* *Emeco continues to strengthen workforce resilience through proactive workforce planning, leadership development and initiatives that support employee engagement, capability development and career progression.* *Emeco invests in developing internal talent through structured learning and development programs, apprenticeships and traineeships, leadership development, and opportunities for employees to broaden their skills through secondments, project-based assignments and acting opportunities.* *These initiatives are complemented by targeted recruitment strategies, competitive remuneration practices, regular market benchmarking and diversified talent sourcing to improve access to critical skills in a highly competitive labour market.* *Emeco reviews workforce capability, critical skill requirements, succession risks and labour market conditions to ensure the business is well positioned to meet current and future operational requirements.*
Compliance	***Legal and Regulatory*** Breach of key regulatory requirements due to inadequate continuous monitoring of laws or failure of a key control, possibly resulting in fines, legal proceedings or loss of social licence to operate.	*Pertinent to Emeco's operations are laws and regulations governing amongst other things, employment and labour relations, safety, taxation, competition and consumer practices, intellectual property, data privacy, environmental protection and financial regulation.* *We focus on maintaining compliance with laws and regulations applicable to the regions we operate within, and ensuring adequate controls are in place to manage the risk of legal proceedings.* *Emeco employs a range of initiatives to meet or exceed regulatory compliance such as:* • *engagement of specialists to advise on new legal and regulatory requirements and to support operational staff in areas such as legal, human resources, health and safety;* • *the use of engineering and technology solutions to improve operations and safety; and* • *regular training and competency testing of employees.* *In FY26, Emeco undertook a comprehensive work program to ensure compliance with AASB S2 for climate change and sustainability reporting.* *Emeco has adopted detailed corporate governance policies and continues to develop and invest in its approach to risk management to foster a proactive and preventive compliance culture.* *Internal audit includes reviews of policies and procedures to ensure ongoing regulatory compliance.*

Business Risks

	Risk	*Risk profile (italicised)* and mitigation strategies
Operational Technology	***AI/Technology***	*The technology landscape is evolving quickly and Emeco is exposed to the impacts of new and competing technologies in the mining services sector. The rapid emergence of AI is a key element of this landscape. AI-enabled tools are increasingly being adopted across the mining sector and a failure to keep pace with these developments could erode Emeco's competitive position and heighten the risk of technological obsolescence.* *Emeco actively engages in industry networks and develops relationships with equipment and parts manufacturers and technology providers. This keeps Emeco informed of changes that can be embedded into future strategy and provides our customers with modern technologies. Alongside monitoring alternative drivetrain technologies such as battery-electric power, Emeco focuses on advances that extend equipment life, reduce emissions and limit failures that hinder component reuse. These improvements reinforce fleet durability and the circular, capital-efficient basis of its mid-life asset model. Emeco's proprietary EOS platform further supports this by providing real-time fleet performance and utilisation data. Emeco is also investing in AI and machine learning capabilities, applying these to its EOS data to enhance predictive maintenance, optimise fleet utilisation and support better-informed operational decisions.* *Through our Force business, Emeco developments have already begun applying this expertise to decarbonisation. Its partnership with XCMG to maintain and support a battery-electric mining fleet in the Pilbara marks Emeco's first step into next-generation drivetrain technology. Combined with a mid-life asset model that limits exposure to equipment obsolescence, these capabilities help Emeco stay competitive as the sector transitions.*
	ERP Replacement	*Emeco is nearing completion of the Build phase for its ERP replacement project. Key risks for the remainder of the project include schedule delays (which may arise for multiple reasons such as design misalignment, milestone elongation, resource under sizing, etc.), cost overruns, critical resource departures and change resistance. To control and mitigate risks for the project, we are taking actions including:* • *Peer review of design by Microsoft and independent System Integrator.* • *Audit of project governance, to ensure the project team is set up for success and audit recommendations are implemented.* • *External review by reputable third parties of delivery strategy, schedule and resource profile.* • *Regular project engagement surveys and continuous improvement of team collaboration, cohesiveness and retention.* • *Critical resource review, cross discipline training, refinement of documentation and retention strategies.*
	Cybersecurity Business disruption due to a cybersecurity incident.	*The potential of cybersecurity attacks, misuse and release of sensitive information, including through AI tools and unapproved ("shadow") AI use, pose ongoing risks to the operational and financial results of the Company.* *Emeco remains vigilant to these threats and has taken a number of actions to improve cybersecurity posture and maturity across the business and reduce cybersecurity risk and AI-related risk. These include undertaking annual cybersecurity audits and addressing findings in a timely manner. Emeco has also engaged an external cybersecurity services provider that is providing ongoing cybersecurity advisory services to improve policies, practices, technical architecture reviews, as well as cybersecurity monitoring services. Emeco employees also receive annual cyber risk awareness training and are implementing AI governance controls, including approved platforms and data-loss prevention monitoring, to manage emerging AI-related exposure.*

Business Risks

	Risk	*Risk profile (italicised)* and mitigation strategies
Financial	***Cash and Liquidity***	*Emeco is capital intensive and relies on banks and other institutions to source its funding needs. A failure to access sufficient liquidity may limit the Company's ability to grow its earnings and may prevent the Company paying its debts as and when they fall due. Further, where the Company does not maintain access to multiple funding sources across a range of tenors, it may be subjected to increased establishment and interest expenses.* *Emeco adopts a conservative approach to capital management and seeks to maintain low gearing, ensuring the balance sheet can withstand market shocks and retain the flexibility to fund opportunities which deliver earnings growth. The Company has committed long-term facilities in place to support its underlying business and to provide it with sufficient flexibility to consider growth or capital management in the future.*
Financial	***Customer Credit Risk***	*Customer credit risk remains an inherent part of Emeco's business. Over the years the Group's customer profile has expanded with revenue growth. However, balancing growth in the portfolio against potentially increased exposure to lower quality credits, requires increased management of individual customer accounts. Changes in commodity prices and customer specific issues affecting cash flows available to settle accounts are factored into the level of credit extended to any customer. However, these are subject to change in a dynamic environment.* *Management assesses customer credits based on internal policies and procedures. Credit insurance (or alternative security such as a bank guarantee or security deposit) and payment terms are considered as part of this process.* *The Group's debtor portfolio is currently >95% covered under trade insurance cover.*
Portfolio Optimisation	***Business Acquisitions and Integration***	*If financial, operational, market, legal and regulatory or human resource risks materialise during a business acquisition or integration, they can significantly impact the success of the transaction. These risks can result in loss of capital, decreased productivity, reduced profitability, legal action, reputational damage, and loss of talent and institutional knowledge.* *Rigorous and prompt actions to identify, assess, and prioritise risks associated with any contemplated acquisition and integration, allow the Company to develop strategies to mitigate the risks and ensure the success of the transaction.* *Mergers and acquisitions (M&A) remain a key strategy to enhance the business operating model. Emeco actively monitors and considers opportunities to enhance market presence and deliver acceptable returns for shareholders. Emeco's M&A and business development efforts include a focus on diversifying its revenue streams across different services, commodities, and geographic areas. This diversification strategy helps spread risk and strengthen the Company's overall resilience.*
Portfolio Optimisation	***Macroeconomic and Geopolitical Risk*** Exposure to geopolitical and macroeconomic uncertainty including changes to royalty and taxation policy, inflationary pressures, international trade agreements, fluctuations in interest rates and foreign currency.	*Macroeconomic and geopolitical exposure may lead to increased uncertainty and volatility in financial markets, making it more difficult to access capital, tightening labour markets, rising operating costs and reduced margins.* *Emeco's primary customer base is the resources sector of Australia. The Company's financial performance is closely tied to the performance of customers within those markets that are cyclical and affected by various factors beyond Emeco's control including: commodity price performance, investment in mining projects, regulation affecting the mining sector, the availability and cost of labour, fuel, equipment and parts.* *Emeco seeks to diversify its revenue base from a service offering, commodity and geographic perspective. Emeco's diversified portfolio of customers, located in different mining regions across Australia, provides a more balanced exposure to fluctuations in commodity prices and minimises physical risks, including those associated with climate change (refer to Emeco's Sustainability Report).*

Business Risks

	Risk	*Risk profile (italicised)* and mitigation strategies
Portfolio Optimisation	***Macroeconomic and Geopolitical Risk (continued)***	*Emeco has progressively expanded its fully maintained rental offering alongside traditional dry hire, diversifying its service offering and supporting longer contract tenures. Emeco maintains a diversified, proactively managed supplier base and has developed strong relationships with key suppliers to mitigate unforeseen costs arising from geopolitical matters.* *The Company maintains strong financial discipline with respect to investment decisions, operational spending and financial reporting and forecasting to measure and maintain resilience in its financial position. Emeco works to ensure strategies are in place to remain cost competitive. Emeco also engages professional advisors to keep it appraised of changes in regulatory requirements, macroeconomic conditions and geopolitical risks.*
	Inflationary Cost Pressures	*Emeco procures goods and services from a range of suppliers that are critical to its business operations. These goods and services are subject to supply shortages and price inflation, which may not be within Emeco's control – in particular, parts and labour. The rate of cost inflation may outpace the Company's ability to adjust contract pricing, which may negatively impact on Emeco's financial performance.* *To offset inflationary pressures, Emeco engages with suppliers and customers regarding out-of-cycle rate increases. Emeco also ensures appropriate mechanisms are included in its supply and revenue contracts for periodic review of pricing i.e. rise and fall adjustments, which provides a control against extreme price changes. There is also a tight focus on cost management and appropriate back charging of costs to customers, including cost of outsourced labour. Further, performing works in-house through our Force business also assists in mitigating cost pressures. Leveraging Emeco asset management and procurement teams, Emeco continuously explores opportunities to increase the use of after-market parts to alleviate cost pressures without impacting performance and evaluate stock holdings of critical spares to reduce supply and cost risk.*
	Vulnerability to Mining and Commodity Cycles	*Emeco's financial performance is influenced by the level of activity in the resources and mining industry, which is impacted by a number of factors beyond Emeco's control. These include:* • *Demand for mineral production which may be influenced by factors such as global growth, commodity prices, exchange rates and the competitiveness of Australian mining operations.* • *Government policy on rebates, spending, royalties and taxes.* • *Policies of mine owners, including their decisions to undertake operations using their own equipment or rented equipment.* *In recent years, Emeco has focused on building a sustainable business that generates shareholder value through economic and commodity cycles. To mitigate the risks posed by the cyclical nature of the industry, Emeco has significantly reduced its cost base and its capital intensity, particularly through its mid-life asset rebuild model.* *The acquisition of Force has assisted with this as it allows Emeco to rebuild its own equipment components and assets, cost effectively.*

Business Risks

	Risk	*Risk profile (italicised)* and mitigation strategies
Portfolio Optimisation	***Competition Risk*** Failure to remain competitive with Emeco's peers in the market due to a lack of continuous innovation and/or competitive pricing, possibly resulting in loss of revenue and margin, affecting long-term profitability of the Company.	*The mining services industry in which Emeco operates consists of numerous peers and competitors all seeking to improve business performance. The coming years are expected to bring a shift in the way organisations operate, with use of renewable energy, automation and AI expected to increase across the mining industry, together with the increase in lower carbon emissions vehicles and associated infrastructure. Emeco will need to ensure it remains in step with the ever-changing industry. Further, Emeco remains at risk of not being able to maintain sufficient pricing flexibility to offset inflationary costs, resulting in margin deterioration.* *Emeco seeks to maintain competitive cost advantages through its differentiated asset management and mid-life rebuild model, coupled with disciplined cost control measures to ensure operational efficiency.* *Emeco differentiates itself through maintenance services, continuous innovation and technology integration, such as the EOS platform, which includes an equipment health module designed to improve internal operations and support customer productivity and efficiency. Emeco is progressively digitising the elements of its work management process, establishing the connected data foundation needed to apply machine learning and artificial intelligence to maintenance planning, defect identification and component life prediction. The intent is to convert that data into practical decision support for the workforce, so that Emeco can sustain cost competitiveness relative to its peers while delivering the equipment performance and reliability its customers depend on.* *Emeco has a network of workshops to support operations and customers across major mining markets within Australia, supporting efficient access and consistent service standards.* *Strong customer and supplier partnerships and collaboration opportunities remain critical to Emeco remaining a preferred supplier. These are actively nurtured by all levels of management.* *Emeco competes for the skills and capability it needs through strong leadership and a reputation as an employer of choice, supported by competitive remuneration, flexible work arrangements, and an inclusive culture. Fleet configuration is continuously reviewed to focus on competitive strengths and identify underperforming categories, allowing Emeco to adapt and prioritise equipment classes that offer the best long-term returns for shareholders.*
Sustainability / Social Licence to Operate	***Sustainability / Social Licence*** Climate change risk / Environment, Social and Governance (ESG) considerations.	*Emeco continues to build on its ESG initiatives. The targeted outcomes are directed at:* • *Compliance with current and future laws, reporting requirements and assisting in identifying risks and opportunities associated with climate change and future transition to low-carbon technology. These regulations can lead to increased costs, operational constraints, and potential penalties for non-compliance. There are public statements and commitments by suppliers, customers and governments, including some of the largest mining companies operating in Australia, to a long-term goal of achieving net zero greenhouse gas (GHG) emissions by 2050. It is anticipated that to achieve this would require substantial technological and infrastructure upgrades and changes to methods of operation. There is a risk that if Emeco does not keep abreast of technological changes and similarly seek to decarbonise, its fleet may become obsolete in coming decades.* • *Increasing our positive reputation with our current and potential employees, customers, investors, communities and other stakeholders. There is a risk that if Emeco does not meet community and/or other stakeholder expectations regarding its business activities or other ESG performance, this may potentially lead to loss of contracts, loss of reputation, higher compliance costs, loss of investor confidence and an inability to secure labour.* *Emeco has adopted a GHG emissions transition plan and approved short-term and medium-term targets for the reduction of GHG emissions and has committed to a long-term net zero emissions goal for 2050. Emeco's FY27 short-term target relates to an increase in more efficient, lower emissions light vehicles in Emeco's fleet. The medium-term target relates to at least an 85 percent decrease in Emeco's scope 1 and scope 2 operational emissions by FY35, driven by light vehicle diesel reduction, light vehicle replacement and the increasing use of renewable electricity. Further details (including definitions and assumptions) are set out in Emeco's Sustainability Report.* *In order to accelerate diesel replacement in mining operations, key technologies and infrastructure upgrades are required at scale, to be proven safe and reliable and to be commercially competitive. Adoption will not be linear and it is anticipated that there will be challenges and risks. For example, if electrification is advanced, suitable infrastructure*

Business Risks

	Risk	*Risk profile (italicised)* and mitigation strategies
Sustainability / Social Licence to Operate	***Sustainability / Social Licence (continued)***	*is required including renewable generation and grid extensions. Other challenges include integrating a mix of static and dynamic charging, how electrification impacts mine design and mine planning, and the risks associated with managing new technologies.* *In the interim, the Company's mid-life asset model minimises the risk of the heavy fleet becoming obsolete and has positive attributes from a carbon emissions perspective through the reuse of carbon-intensive steel and remanufacture and reuse of major components. Further, our partnership with XCMG and engagement with OEMs and customers provides an avenue for us to develop our technical expertise, service delivery model and operational readiness for next-generation mining fleets.* *Emeco also seeks to minimise risks associated with climate change through diversification of:* • *Physical operations, which may minimise the impact to the Group of extreme weather and climate events, and* • *Commodities, with potential changes in commodity demand impacting Emeco's customer base, in particular thermal coal, where demand is expected to reduce as decarbonisation initiatives increase and new technology is adopted.* *Further details regarding Emeco's ESG initiatives are set out in Emeco's Sustainability Report, including:* • *Health and safety priorities* • *Measurable objectives to achieve greater workforce diversity* • *Indigenous and community engagement* • *Detailed corporate governance policies including Emeco's code of conduct to ensure high standards of corporate and individual behaviour.*
Operations	***Short Term Contracts, Contract Terminations***	*Emeco's traditional sources of revenue are often subject to short-term contractual arrangements with mechanisms for termination by the customer, for reasons outside Emeco's control. This may adversely affect Emeco's ability to deliver financial performance in line with the expectations of the market.* In recent years, Emeco has focused on increasing the average tenure of its contracts, including by increasing the level of service provided to customers in order to embed itself in customers' operations and secure longer contract tenure. The Company maintains strong customer relationships to understand fleet requirements in order to plan fleet allocation and minimise the time fleet is "off hire" between projects.
	Under-performance of Contracts	*Emeco's earnings are dependent on profitable contracts and, from time to time, there may be underperforming contracts. Execution and delivery of projects involve judgement regarding the planning, development and operation of complex operating facilities and equipment. As a result, Emeco's operations, cash flows and liquidity could be affected if the resources or time needed to complete a project are miscalculated, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions. Financial performance of contracts can be impacted by matters outside the Company's control, including wet weather, customer funding, mine economics and planning and commodity price cycles.* Emeco maintains a broad portfolio of contracts and customers, with a broad commodity and geographic spread. Contracts are managed carefully from a commercial and cost perspective to achieve expected outcomes. Operational performance is managed in tandem with the customer's objectives and planning. This assists to ensure that the financial impact of any single underperforming contract is minimised.
	Extreme Weather and Other Climate-related Events	*Emeco recognises the physical impacts of extreme weather and climate-related events which can range from tropical cyclones and flooding to extreme heat and bush fires. Risks related to the physical impacts of an extreme weather event or climate-related event could disrupt mining operations and supply chains, cause damage to our equipment and impact the health and safety of our workforce.* Emeco has considered different climate change scenarios to stress test how an increase in temperatures could potentially impact our operations. Further details of physical climate change risks are set out in our Sustainability Report. Emeco continues to engage with customers to better understand this risk and work collaboratively to appropriately mitigate where extreme events have caused site-wide issues or lack of access. Emeco seeks to mitigate revenue exposure to shutdowns or contract suspensions through considering opportunities for geographically dispersed sites and value chains and through mechanisms such as minimum hours charges and/or standby rates.

Business Risks

	Risk	*Risk profile (italicised)* and mitigation strategies
Operations	***Supply Chain Risk***	*Emeco relies heavily on imported parts, which in turn depend on overseas manufacturing, logistics and availability of fuel and suitable vessels for transport. There is risk that Emeco cannot secure parts for both component rebuilds and that ongoing delays for maintenance may impact the ability to meet increasing customer demand for fleet.* *Emeco has an established procurement team tasked with identifying and securing cost reduction opportunities across parts, labour and consumables.* *Rationalizing Emeco's supplier base allows for proactive relationship management and helps secure savings and foster relationships with suppliers incentivised to deliver additional, non-contracted or price-related value adds. Relationship management is critical to ensuring open lines of communication and collaboration to understand lead times and upcoming challenges. Emeco is building connections with key suppliers to ensure we receive prompt updates on their supply chains.* *Emeco has expanded inventory held to support both equipment in the field and component rebuilds. This provides additional security to respond quickly to customer requirements.* *Oil supply is a particularly pertinent risk given ongoing global conflicts and Australia's limited national holdings. Emeco works with our suppliers to ensure we have up to date information, secure supply where possible and mitigate price increases. Emeco's customers are predominantly responsible for fuel supply, which creates risk of rented machinery being unutilised if customers are unable to secure fuel.*
	Heavy Fleet Risk	*Emeco's heavy fleet bias towards one major equipment manufacturer exposes us to a concentration risk pertaining to technology/obsolescence.* *Based on public statements made by suppliers, customers and governments and commitments from some of the largest mining companies operating in Australia, we expect that demand for low-emissions technology will increase and be commercialised and adopted at scale, potentially over the next 10-20 years.* *Emeco's mid-life asset model improves both cost and capital efficiency but continues to require investment in carbon-intensive technology which at some point will be obsolete.* *The mid-life rebuild business model supports the circular economy and has positive attributes from an emissions perspective, given the reuse of carbon-intensive steel and remanufacture and reuse of major components.* *The mid-life model also offers commercial benefits and acts as a proactive strategy to mitigate risks related to fleet obsolescence and technological evolution in the mining sector. The model leverages Force workshops to rebuild targeted assets, with Emeco aiming to maintain a fleet of assets with 5-10 years remaining economic life, as opposed to the typical 20-year lifespan of new equipment.* *Emeco adopts a meticulous approach to commercial reviews for major equipment spending, ensuring adequate returns on investment. This robust life-cycle management includes regular evaluation of equipment performance and technological relevance and identifies optimal points throughout an asset's life where upgrades, disposal or replacement can be considered, reducing the risk of obsolescence and allowing for responsive actions before planned end-of-life milestones.* *Emeco is working with international original equipment manufacturers (OEMs) to understand the pace of development for new technologies, which may include battery-electric vehicles (BEVs), hydrogen powered vehicles or the potential for renewable diesel in Australian mining fleet. Further details regarding Emeco's decarbonisation transition plan are set out in the Sustainability Report.*

Additionally, the Company is exposed to other risks that it manages at both a strategic and day-to-day operational level.

Directors' Report

Directors' Report

For the year ended 30 June 2026

The board of directors (**Board**) of Emeco Holdings Limited (**Emeco** or **Company**) present their report together with the financial reports of the consolidated entity, being Emeco and its controlled entities (**Group**) and the auditor's report for the financial year ended 30 June 2026 (**FY26**).

Directors

The directors of the Company during FY26 were:

Ian Macliver B.Com

Appointment:

Independent Non-Executive Director and Chair of the Board since December 2024.

Board committee membership:

- Member of the Remuneration and Nomination Committee since December 2024.
- Member of the Audit and Risk Management Committee since December 2024.

Skills and experience:

Mr Macliver is an experienced director within the mining sector. His executive and director experience covers many areas of corporate activity, including acquisitions, divestments, takeovers, business and strategic planning and debt and equity structuring.

Mr Macliver was Chairman of MMA Offshore Limited from 2020 to 2024 (prior to its acquisition by Cyan Renewables) and Non-Executive Chairman of Western Areas Limited from 2011 to 2022.

Mr Macliver holds a Bachelor of Commerce from the University of Western Australia, a Post Graduate Diploma from the Securities Institute of Australia and qualified as a Chartered Accountant.

Current appointments:

- Non-executive director of Sheffield Resources Limited (2019 to current).
- Non-executive director of Wright Prospecting Pty Ltd (April 2026 to current, previously an alternate director from 2022) and Chairman of VOC Group Limited, which is a 50% shareholder in Wright Prospecting Pty Ltd (April 2026 to current).

Ian Testrow BEng (Civil), MBA

Appointment:

Managing Director & Chief Executive Officer since August 2015.

Skills and experience:

Mr Testrow joined Emeco in 2005 and was appointed Chief Executive Officer and Managing Director in August 2015. Prior to this, Mr Testrow was Emeco's Chief Operating Officer, having previously been responsible for Emeco's Eastern Region Rental business (2005 to 2009) and the North and South American operations (2009 to 2014). Prior to Emeco, Mr Testrow worked for Wesfarmers, BHP Billiton, Thiess and Dyno Nobel.

Peter Frank BSEE, MBA

Appointment:

Non-Executive Director since April 2017.

Board committee membership:

- Member of the Remuneration and Nomination Committee since May 2024.

Skills and experience:

Mr Frank retired as Senior Managing Director at Black Diamond Capital Management in December 2021 after 13 years of service, however, continues in an advisory capacity. Prior to joining Black Diamond, Mr Frank was President of GSC Group, a SEC-registered investment advisor, where he worked since 2001. From 2005 until 2008, Peter also served as the Senior Operating Executive for GSC's private equity funds.

Prior to 2001, Mr Frank was the CEO of Ten Hoeve Bros Inc. and was an investment banker at Goldman Sachs & Co.

Mr Frank has also served as chairman of the board of Kolmar Labs Group Inc., Scovill Inc. and Worldtex Inc. and was previously a director of IAP Worldwide Services Inc., Grede Holdings LLC, Color Spot Holdings Inc., Viasystems Group Inc., North Metro Harness Initiative LLC and Harvey Gulf International Marine LLC.

Peter graduated from the University of Michigan with a BSEE degree and earned an MBA from the Harvard Business School.

Current appointments:

- Director of Specialty Chemicals International Limited.
- Director of Bakelite UK Topco Ltd.

Directors' Report

James Walker III BScEcon

Appointment:

Non-Executive Director since June 2023.

Skills and experience:

Mr Walker is a 30-year veteran in asset management and has held several leadership positions throughout his career. Mr Walker re-joined Black Diamond Capital Management in 2023, a company that he co-founded in 1996, serving as the President and Senior Managing Director. Mr Walker also currently serves as a board member for Starwood Real Estate Trust and Consumer Portfolio Services Inc, and was recently a Strategic Partner of Jadian Capital, a real estate private equity investment firm.

From 2008 through 2016, Mr Walker was Managing Partner of Fir Tree Partners, a top 50 global alternative asset management firm, and was a member of the firm's Real Estate Investment Committee and Chairman of the firm's Risk Committee. Mr Walker began his career in investment banking at Kidder, Peabody & Co and Bear Stearns.

Mr Walker received a Bachelor of Science in Economics from Boston College's School of Management in 1984 and was recently a member of the Board of Regents of Boston College.

Current appointments:

- President and Senior Managing Director of Black Diamond Capital Management.
- Lead Independent Director of Starwood Real Estate Trust.
- Board Member of Consumer Portfolio Services.

Shaun Treacy

B.Com, CA, F FIN, MAICD, GradDipAppFin

Appointment:

Independent Non-Executive Director since 1 October 2025.

Board committee membership:

- Chair of the Audit and Risk Management Committee since 21 November 2025 (member of the committee from 1 October 2025 to 20 November 2025).
- Member of the Remuneration and Nomination Committee since 1 October 2025.

Skills and experience:

Mr Treacy is an experienced natural resources investment banker with over 30 years of global experience in corporate finance, investment banking and private equity. Mr Treacy has lived and worked in Australia, the United States, the United Kingdom and Hong Kong, holding senior roles with JPMorgan, Lehman Brothers, Nomura and UBS.

Mr Treacy is a non-executive director of Mkango Resources Limited, listed on the London and Toronto stock exchanges, where he chairs the audit and risk committee and is a member of the remuneration committee. Mr Treacy is also active in the not-for-profit sector, holding board or chair positions with Multiple Sclerosis Queensland, Multiple Sclerosis Australia and the University of Queensland Business Economics and Law Alumni Ambassador Council in Sydney.

Mr Treacy has a Bachelor of Commerce, a Graduate Diploma of Applied Finance & Investment, is an Associate of the Institute of Chartered Accountants in Australia, a Fellow of the Financial Services Institute of Australasia and is a Member of the Australian Institute of Company Directors.

Current appointments:

- Non-executive director of Mkango Resources Limited (2018 to current).

James Scott

B.Eng (Hon), FIEAust, CPEng, EngExec, GAICD, MGSM

Appointment:

Independent Non-Executive Director since 18 May 2026.

Board committee membership:

- Member of the Remuneration and Nomination Committee since 18 May 2026.
- Member of the Audit and Risk Management Committee since 18 May 2026.

Skills and experience:

Mr Scott brings more than 30 years of leadership experience across the industrial, technology and private equity sectors, with a strong track record in operational transformation, strategy and growth. Mr Scott's most recent executive roles include COO of Seven Group Holdings Limited (ASX:SGH), Managing Director of Accenture Digital ANZ and a Partner at KPMG.

Mr Scott holds a number of listed and private company board roles and is currently a Non-Executive Director of Boom Logistics (ASX:BOL) and Acrow Limited (ASX:ACF). Additionally, Mr Scott is a Non-Executive Director to LVP Funds, Chairman of SimplyAi Pty Ltd and Executive Chairman of the Merchantwise Group. Mr Scott was previously a director of Integrated Research (ASX:IRI) from 2021 to 2024, a non-executive director of Orbx Pty Ltd from 2021 to 2024 and has worked with several technology and services businesses.

Mr Scott is a Chartered Professional Engineer, a Fellow of Engineers Australia, and a Graduate of the Australian Institute of Company Directors.

Current appointments:

- Non-executive director of Boom Logistics Limited (2021 to current).
- Non-executive director of Acrow Limited (2025 to current).

Sarah Adam-Gedge

BBus (Accounting), FCA, GAICD

Appointment:

Independent Non-Executive Director from October 2023 until her retirement on 20 November 2025.

Board committee membership:

- Chair of the Audit and Risk Management Committee from October 2023 until 20 November 2025.

Skills and experience:

Ms Adam-Gedge is a Chartered Accountant (Fellow) and Graduate member of the Australian Institute of Company Directors with broad financial, commercial, technology and digital leadership and governance experience, gained through her executive career and her current roles across a number of Boards.

Ms Adam-Gedge began her executive career at Arthur Andersen as an audit specialist before joining PwC and broadening into consulting including business process re-engineering, supply chain efficiency and financial performance optimisation. Her career includes over a decade in regional CEO roles in leading technology and consulting businesses including IBM, Avanade Australia, Publicis Sapient Australia and Wipro Limited Australia and New Zealand. In addition to her current appointments to a number of listed companies, Ms Adam-Gedge was deputy chair and non-executive director of Austal Limited from 2017 to 2025.

Current appointments:

- Non-executive Director of Codan Limited (2023 to current).
- Non-executive Director of Bravura Solutions Limited (2023 to current).
- Non-executive Director of Aussie Broadband Limited (2025 to current).
- Non-executive Director of Graincorp Limited (2025 to current).
- Non-executive Director of Cricket Australia (2023 to current).

Company secretary

The company secretary of the Company during FY26 was:

Penelope Young LLB, LLM, BBus

Appointment:

Company Secretary since April 2017.

Ms Penelope Young has been General Counsel & Company Secretary of the Company since 2017. Penny joined Emeco as Senior Legal Counsel in May 2015.

Ms Young is a qualified lawyer with extensive experience most particularly in corporate and commercial law.

Ms Young holds a Master of Laws, Bachelor of Laws and a Bachelor of Business.

Directors' meetings

The number of board and committee meetings held and attended by each director in FY26 is outlined in the table below:

Board and committee meetings held and director attendance

	Board		Board sub-committee (ad hoc)		Audit & Risk Management Committee		Remuneration & Nomination Committee	
Director	**Attended** (1)	**Eligible** (2)	**Attended** (1)	**Eligible** (2)	**Attended** (1)	**Eligible** (2)	**Attended** (1)	**Eligible** (2)
Ian Macliver	6	6	2	2	4	4	2	2
Ian Testrow (A)	6	6	2	2	4	0	2	0
Peter Frank	6	6	0	2	0	0	1	2
James Walker III	5	6	0	2	0	0	0	0
Shaun Treacy (B)	4	4	1	1	3	3	1	1
James Scott (C)	1	1	0	0	1	1	0	0
Sarah Adam-Gedge (D)	2	3	1	1	2	2	0	0

(1) Indicates the number of meetings the Director attended during FY26.
(2) Indicates the number of meetings held during FY26 while the Director was a member of the Board or the relevant Committee.
(A) Mr Testrow attended all ARMC and RNC meetings by invitation.
(B) Mr Treacy was appointed as a director on 1 October 2025.
(C) Mr Scott was appointed as a director on 18 May 2026.
(D) Ms Adam-Gedge retired as a director on 20 November 2025.

Corporate governance statement

The Company's corporate governance statement is located on the Company's website at www.emecogroup.com/who-we-are/corporate-governance.

Principal activities

The principal activities of the Group during FY26 were the provision of surface and underground mining equipment rental and complementary equipment and workshop and field services, including maintenance, asset and component rebuilds, fleet optimisation technology, and technical and engineering services.

Operating and financial review

A review of Group operations, and the results of those operations for FY26, is set out in the operating and financial review section and in the accompanying financial statements.

Environmental regulation

The Group is subject to a range of relevant Commonwealth and state environmental laws and regulations. The Company is committed to conducting its operations in accordance with these laws and has recorded no fines or prosecutions relating to its environmental performance in FY26.

The Group is not required to register and report greenhouse gas emissions, energy consumption, or energy production under the National Greenhouse and Energy Reporting Scheme for this financial year as it does not meet the relevant reporting thresholds.

The Group is required to report under the Australian Sustainability Reporting Standards, including disclosures aligned with AASB S2 Climate-related Disclosures. The relevant disclosures, including details of the Group's greenhouse gas emissions and its approach to climate-related risks and opportunities, are set out in the Sustainability Report.

Dividends

No dividends were declared or paid during the period.

Significant changes in state of affairs

Other than those disclosed in the operating and financial review section or the financial statements, in the opinion of the directors, there were no significant changes in the Group's state of affairs that occurred during FY26.

Events subsequent to reporting date

On 23 July 2026, the Group announced that it had agreed revised employment arrangements with the Group's Managing Director & CEO (Mr Testrow), with effect for the period 1 July 2027 to 30 June 2031. Further information regarding Mr Testrow's employment arrangements is set out in the Remuneration Report.

On 19 August 2026, the Board resolved to undertake an on-market share buy back of up to 10% of its ordinary shares (being a maximum of 51,837,475 shares) over a 12 month period.

Other than as set out above and disclosed in the operating and financial review section or the financial statements, in the opinion of the directors, there have been no significant events subsequent to the year ended 30 June 2026.

Likely developments

Likely developments in, and expected results of, the operations of the Group are referred to in the operating and financial review section. Information on likely developments in the Group in future financial years and the expected results of those operations the disclosure of which, in the opinion of the directors, would be likely to result in unreasonable prejudice to the Group have been omitted in accordance with section 299(3) of the *Corporations Act 2001* (**Act**).

Operations, financial position, business strategies and future prospects

Information on the Group's operations, financial position, business strategies and prospects for future financial years of the Group are referred to in the operating and financial review section. Information on the Group's business strategies, and prospects for future financial years, the disclosure of which, in the opinion of the directors, would be likely to result in unreasonable prejudice to the Group have been omitted in accordance with section 299A(3) of the Act.

Directors' interests

The relevant interests of each current director in securities issued by the companies within the Group and other related bodies corporate, as notified to the ASX in accordance with section 205G(1) of the Act are set out below:

Director (A)	Ordinary shares (B)	Rights (C)
Ian Macliver	-	-
Ian Testrow	15,176,533	9,055,341
Peter Frank	-	-
James Walker III	-	-
Shaun Treacy	-	-
James Scott	-	-

(A) This comprises the Director's relevant interest in securities as notified to the ASX as at the date of this report.
(B) This comprises ordinary shares in which the Director has a relevant interest.
(C) This comprises rights issued under the Company's employee incentive plans.

Refer to the notes to the Financial Statements for related party disclosures. Further information regarding the Company's employee incentive plans and the performance rights issued under these plans is set out in the Remuneration Report and the notes to the Financial Statements.

Indemnification and insurance of officers and auditors

The Company has entered into a deed of access, indemnity and insurance with each of the current and former directors, Chief Financial Officer and the Company Secretary of the Group. Under the terms of the deed, the Company indemnifies the officer or former officer, to the extent permitted by law, for liabilities incurred as an officer of the Group. The deed provides that the Company must advance the officer reasonable costs incurred by the officer in defending certain proceedings or appearing before an inquiry or hearing of a government agency.

Since the end of the previous financial year, the Company has paid premiums in respect of contracts insuring current and former officers of the Group, including executives, against liabilities incurred by such an officer to the extent permitted by the Act. The contracts of insurance prohibit Emeco from doing anything which could prejudice the insurers in respect of a claim, including disclosure of the nature of the liability cover and the amount of the premium.

The Group has not indemnified its auditor, Deloitte Touche Tohmatsu (**Deloitte**).

Non-audit services

During the year, Deloitte, the Group's auditor, has performed certain other services in addition to their statutory duties. This is for provision of certain assurance and tax compliance services. No other advisory or consulting services were provided by Deloitte during the year.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Act for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Management Committee to ensure they comply with the Company's non-assurance services policy and do not impact the integrity and objectivity of the auditor.
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing the risks and rewards.

Details of the amounts paid to the auditor of the Group, Deloitte and its network firms, for audit and non-audit services provided during the year are set out in notes to the Financial Statements.

Lead Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Act is included in this annual report and forms part of the directors' report.

Rounding off

The amounts contained in the financial report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company as referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. The Company is an entity to which the class order applies.


CLASS C3/M3
Year 2003

Remuneration Report

This Remuneration Report for the year ended 30 June 2026 outlines the remuneration arrangements of the Company, in accordance with the requirements of the *Corporations Act 2001* (**Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

This report covers the following matters:

Remuneration Report

Audited

1. Introduction

This report details the Group's remuneration objectives, practices and outcomes for key management personnel (**KMP**), who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The Company's KMPs for FY26 are listed in the below tables. Any reference to 'executives' in this report refers to KMP who are not non-executive directors.

Directors of the Company during FY26

Non-executive directors	
Ian Macliver	Chair, Independent Non-Executive Director
Peter Frank	Non-Executive Director
James Walker III	Non-Executive Director
Shaun Treacy	Independent Non-Executive Director (Appointed 1 October 2025)
James Scott	Independent Non-Executive Director (Appointed 18 May 2026)
Sarah Adam-Gedge	Independent Non-Executive Director (Retired 20 November 2025)

Executive directors	
Ian Testrow	Managing Director & Chief Executive Officer

Executives of the Company during FY26

Other executives	**Position**
Theresa Mlikota	Chief Financial Officer

2. Summary of Company strategy and performance and FY26 incentive outcomes

The Company continued to strengthen its position as a leading rental and maintenance services provider, delivering earnings growth, strong operating cash flow and further balance sheet deleveraging during FY26.

As highlighted in the Operating and Financial Review, the market presented geopolitically driven supply and cost challenges to the mining sector, particularly in the second half of FY26, which impacted the Company's fleet utilisation. Against this backdrop, the Company remained focused on delivering on Emeco's core capabilities and maintaining a disciplined approach to cost and capital management.

Within this framework, key business priorities throughout FY26 included:

- Maintaining a strong safety record and culture;
- Maintaining a strong balance sheet with a focus on improving earnings, returns on capital and cashflows and continuing to reduce leverage;
- Refinancing of the Company's $250m Australian Medium Term Notes which were due to mature in July 2026;
- Maintaining strict capital discipline and cost control including through efficient deployment and redeployment of fleet, investment directed towards sustaining and optimising existing assets and ongoing cost efficiency initiatives across the business; and
- Investing in technology and systems to become a technologically empowered, agile and data-driven business.

Remuneration Report

Linking FY26 incentive outcomes to Company strategic objectives and performance

The Company's remuneration structure includes a significant component of executive remuneration tied to financial and share-based performance outcomes.

KPIs used in the FY26 short and long-terms plans were designed to align with the Company's business priorities and performance.

FY26 Performance measure	STI	LTI	Alignment to strategy
Safety	10%		Ensuring the safety of Emeco's people is central to everything Emeco does. Aiming for a zero-harm workplace, safety processes, policies and procedures are continually updated.
Financial metrics being EBITDA and return on assets (**ROA**)	70%		EBITDA and ROA are key financial measures of Emeco's profitability and ability to provide returns to shareholders. These two financial KPIs are equally weighted.
Earnings per share (**EPS**) growth		50%	EPS growth is a key metric of business performance aligning management with shareholder value creation.
Total shareholder return (**TSR**) growth		50%	TSR growth reflects and aligns management to shareholders' experience through focus on the Company's share price and movements.
Personal objectives [1]	20%		Personal objectives enable a focus on specific factors aligned with the Company's business priorities and reflect key focus areas for each executive. In FY26 this included achievement of milestones associated with the Company's ERP upgrade, ESG governance and reporting and refinancing of the Company's long-term debt facilities.

(1) Personal KPIs as detailed below.

Company performance

The Company's resilient financial and operational performance in FY26 reflected delivery of positive outcomes against key business priorities in an operational environment marked by macroeconomic uncertainty and global fuel supply chain disruptions.

FY26 financial highlights [A]

- Operating NPAT of $89.0 million and Reported NPAT of $76.7 million, increased by 5% and 2% respectively, driven by growth in maintenance services.
- Basic earnings per share increased from 14.49 to 14.79 cents per share.
- Operating free cash flow of $127.6 million after net sustaining capex of $153.2 million and adjusted free cash flow of $114.5 million. EBITDA to operating cash flow conversion remaining strong at 108% for the year.
- Return on capital improved moderately, increasing by 30 basis points, driven by higher EBIT and a well-controlled capital base.
- Leverage improved from 0.65x EBITDA in FY25 to 0.43x in FY26, well below the Company's target of 0.5x to 1.0x.

FY26 operational highlights

- Maintained focus on core strengths with integrated rental, maintenance, rebuild and asset management capabilities.
- Grew on-site maintenance services by 44%, demonstrating strong demand for Emeco's fully maintained rental, asset management and maintenance solutions.
- Disciplined cost management to minimise the financial impacts of wet weather and geopolitical events.
- Refinanced maturing debt facilities which were replaced with a 5-year $355 million revolving debt and bank guarantee facility, maturing in December 2030.
- Continued to invest in technology and systems to become a technologically empowered, agile and data-driven business. This included the Company's Enterprise Resource Planning (**ERP**) project which progressed from design into the build phase of our new Microsoft Dynamics 365 system.
- Undertook a comprehensive work program to ensure compliance with AASB S2 Climate-related disclosures and advanced the Company's decarbonisation strategy as described in the Company's Sustainability Report.

(A) Includes Non-IFRS measures. Refer to the Operating and Financial Review for further detail regarding operating adjustments.

The impact of these strategic outcomes on shareholder returns is demonstrated through the increase in earnings per share growth of 2% and total shareholder return growth of 25.8% during FY26.

Safety remains the Company's highest priority. The Group reported an improvement in its total recordable injury frequency rate (**TRIFR**), from 3.4 in FY25 to 2.3 in FY26. Regrettably, the Company recorded a lost time injury during FY26.

Further details of the Group's performance (as measured by a range of financial and other indicators) is set out below and in the Operating and Financial Review.

FY26 incentive outcomes

While the Company continued to deliver resilient earnings and strong margins and cashflow in FY26, as announced to the ASX on 18 June 2026, market conditions impacting our customers' operations including wet weather, supply chain changes and fuel price uncertainty, resulted in a short-term reduction in equipment utilisation and a delay in fleet redeployment.

The Company, led by the executive team, worked hard to proactively manage costs and to successfully secure fleet redeployment opportunities for FY27, however these factors have resulted in a moderately softer close to FY26.

The executive's contribution to the Company's performance as measured through the FY26 KPIs resulted in awards under both the short and long-term incentive plans.

Based on performance for FY26, overall STI incentive outcomes for Group and personal performance against the safety, financial and personal KPIs and resultant awards under the STI plans were 43.7% for Mr Testrow and 53.7% for Ms Mlikota.

The overall LTI incentive outcome was 69.6%, based on 100% satisfaction of the TSR KPI and 39.2% satisfaction of the EPS KPI, resulting in a partial 69.6% award for the FY26 performance period under each of the LTI Plans currently on foot.

Further details regarding the executive's performance and the STI and LTI awards are set out below.

3. Remuneration governance

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (**RNC**) reviews and, where necessary, makes recommendations to the Board on remuneration packages and policies applicable to the Managing Director & Chief Executive Officer, executives and non-executive directors. The RNC's role also includes responsibility for general remuneration strategy, superannuation and other benefits, and employee incentive schemes.

Mr Ian Macliver and Mr Peter Frank were members of the RNC throughout FY26. Mr Shaun Treacy was appointed to the RNC on his appointment to the Board in October 2025 and Mr James Scott joined the Emeco Board and was appointed as an additional member of the RNC in May 2026. During FY26, all members of the RNC were non-executive directors, with Mr Ian Macliver, Mr Shaun Treacy and Mr James Scott being independent non-executive directors.

Further information on the Remuneration and Nomination Committee's role and responsibilities can be found at www.emecogroup.com/who-we-are/corporate-governance.

Use of remuneration consultants

To ensure the RNC is fully informed when making remuneration decisions, it seeks external remuneration advice from time to time. Where required, remuneration consultants are engaged by, and report directly to, the RNC. In selecting remuneration consultants, the RNC considers potential conflicts of interest and requires independence from the Company's key management personnel and other executives as part of their terms of engagement.

During the period, no remuneration recommendations (as defined by the Act) were provided by remuneration consultants to the Company.

Prohibition on hedging securities

Emeco's share trading policy prohibits executives, directors, officers and employees of the Group from entering into transactions intended to hedge their exposure to Emeco securities which have been issued as part of remuneration.

Remuneration Report

4. Executive remuneration arrangements

4.1 Remuneration principles and strategy

Emeco's executive remuneration strategy is designed to attract, motivate and retain talented individuals, align executive reward to the Company's business priorities and targets, and create long-term shareholder value.

The following diagram illustrates how the Company's remuneration strategy aligns with its strategic direction and links remuneration outcomes to performance.

Business objectives

Emeco aims to build a sustainable, resilient and profitable business and create long-term value for shareholders through:

- growing a balanced and diversified portfolio by service offering, customer, project, commodity and region;
- being Australia's lowest cost, highest quality, technology-driven mining equipment provider; and
- demonstrating disciplined capital management through maintaining a strong balance sheet, return on capital and free cash flow generation.

Remuneration strategy linking to business objective

Remunerate fairly and appropriately	Align executive interests with those of shareholders	Attract, retain and develop proven performers
Provide market-competitive remuneration and rewards to executives in order to secure the long-term benefits of their time, experience and loyalty and ensure alignment with industry trends.	Provide a significant proportion of 'at risk' remuneration to ensure that executive reward is directly linked to the creation of shareholder value. Ensure human resources policies and practices are consistent and complementary to the strategic direction of the Company. Prohibit the hedging of unvested equity to ensure alignment with shareholder outcomes.	Personalise remuneration arrangements and provide total remuneration which is sufficient to attract and retain proven and experienced executives who are capable of: • Providing experienced and quality leadership; • Excelling in fulfilling their respective roles within the Group; • Achieving the Group's business objectives and priorities; and • Maximising Group earnings and returns to shareholders.

Remuneration component	Method of payment	Purpose	Link to performance
Fixed Remuneration	Comprises base salary, employer superannuation contributions and other non-cash benefits.	To provide competitive fixed remuneration to attract, retain and motivate executives, set with reference to the Company's size, achievements, role and experience.	Performance, on an individual, team and Company level, drive remuneration changes together with consideration of any changes to an executive's scope of responsibilities.
Variable short-term incentive plan (**STI**)	Paid in cash and, under the CEO STI plan, a portion may be paid in equity (subject to shareholder approval).	Rewards executives for their contribution to achievement of key performance indicators (**KPIs**) during the financial year.	The key performance measures for FY26 which determine if any short-term incentive component is payable are: • Emeco's health and safety performance (total recordable injury frequency rate (**TRIFR**) with no serious, permanently disabling injury or fatality); • Emeco's financial results measured through earnings before interest, tax, depreciation and amortisation (**EBITDA**) and return on assets (**ROA**); and • executive-specific operational or financial targets and focus areas. Targets are discussed below.
Variable long-term incentive plan (**LTI**)	Awards are made in the form of rights to ordinary Emeco shares (**Rights**).	Rewards executives for their contribution to progressive achievement of Company KPIs over the relevant performance period. Rights may be converted into shares, subject to achievement of the LTI KPIs, after vesting at the end of the applicable performance period (subject to any earlier vesting as set out below) aligning executive interests with shareholder value over the performance period.	Vesting of awards is dependent on the Company's performance. The key performance measures for FY26 of EPS and TSR growth provide a strong alignment with the Company's strategy to drive sustainable earnings growth and long-term shareholder value. The incentive's value is ultimately dependent on the Company's share price after the performance period, driving executives to maximise shareholder returns. LTI plans and targets are discussed below.

Remuneration Report

4.2 Approach to setting remuneration and details of incentive plans

The executive remuneration framework consists of both fixed and variable elements, with the variable elements dependent upon meeting financial and non-financial performance measures. This structure is designed to ensure that executives are appropriately rewarded for their time and energy based on their position, experience, responsibilities and performance within the Company whilst also aligning with the interests of shareholders.

Total remuneration is comprised of three main components: TFR, STI and LTI. As a part of determining the level of total remuneration for the Company's executives, the RNC and Board may consider factors such as experience, performance, suitability for driving the Company's business objectives and priorities, competition for talent and other market factors. Total remuneration for executives is reviewed periodically to ensure that it remains appropriate and benchmarking against other companies within the industry may be undertaken.

Key details regarding the setting of FY26 remuneration and FY26 incentive plan arrangements are set out in the table below. (1)

Overall remuneration level and mix

How is overall remuneration and mix determined?

The Company aims to reward executives with a level and mix (proportion of fixed remuneration, short-term incentives and long-term incentives) of remuneration appropriate to their position, responsibilities and performance within the Company. This level and mix are determined on an individual basis.

The table below illustrates the overall remuneration mix available for fixed remuneration and short and long-term incentives for the Managing Director & Chief Executive Officer and Chief Financial Officer for FY26. The target mix for each individual is considered appropriate for Emeco based on the Company's short-term and long-term objectives and the relevant executive's role and responsibilities.

FY26 overall remuneration mix

Executive	Position	Fixed remuneration % of total remuneration	Short-term incentive % of total remuneration	Long-term incentive % of total remuneration
Ian Testrow	Managing Director & Chief Executive Officer	29%	37%	34%
Theresa Mlikota	Chief Financial Officer	36%	32%	32%

How much variable remuneration can executives earn in FY26?

The table below sets out the maximum incentive opportunity for each executive under the FY26 STI and LTI plans, expressed as a percentage of total fixed remuneration (**TFR**).

FY26 components of variable remuneration

Executive	Position	Maximum STI % of TFR	Maximum LTI % of TFR	Maximum Total % of TFR
Ian Testrow	Managing Director & Chief Executive Officer	130%	120%	250%
Theresa Mlikota	Chief Financial Officer	90%	90%	180%

What are the executive STI and LTI plans in FY26?

The table below sets out the STI and LTI Plans in which each executive can participate in FY26:

FY26 Incentive Plans

Executive	Position	STI plan	LTI plan
Ian Testrow	Managing Director & Chief Executive Officer	FY26 CEO STI plan (**CEO STI**)	FY26 CEO LTI plan (**CEO LTI**)
Theresa Mlikota	Chief Financial Officer	FY26 Management STI plan (**MSTI**)	FY26 Management LTI plan (**MLTI**)

(1) As announced to the ASX on 23 July 2026, Mr Testrow's employment agreement has been extended, with terms to apply from 1 July 2027 to 30 June 2031, with some transitional provisions to apply before 1 July 2027, subject to shareholder approval. As a result, some details in the table may not apply to future financial years.

Remuneration Report

Fixed remuneration

How is fixed remuneration reviewed and approved?	In accordance with Mr Testrow's employment agreement, Mr Testrow's fixed remuneration is currently reviewed annually for inflation, however more broadly, fixed remuneration is reviewed periodically. Fixed remuneration changes for executives take into account changes in position, responsibilities and performance. Fixed remuneration may also be benchmarked with targeted market comparators and considered in light of other market factors. Changes to KMP fixed remuneration are subject to approval by the Board.

Variable remuneration - FY26 Short-term incentive plans (FY26 STI)

What is the STI Plan?

The FY26 STI plan rewards executives for the achievement of certain Company and personal KPIs over the financial year.

Incentives are generally paid in cash. However, the Managing Director & Chief Executive Officer may receive 20% of his award under the FY26 STI plan in equity (subject to shareholder approval).

The terms of the STI Plan and the relevant KPIs are set each year. The FY26 STI KPIs reflect key focus areas for the Company, including a mixture of safety, financial and personal measures which are aimed at furthering key initiatives or business objectives.

What were the FY26 STI KPIs?

The FY26 STI KPIs for executives were:

Executive	Safety (10%)	Financial (70% total / equally weighted)	Personal (20%)
Ian Testrow	TRIFR performance relative to 30 June 2025 with no serious, permanently disabling injury or fatality	Group EBITDA relative to FY26 budget	Completion of applicable milestones in the ERP replacement project in accordance with approved timeframes and budget
			Right-sizing of rental fleet through disposal of targeted amount of underutilised assets
		Group ROA relative to FY26 budget	Establishment of ESG governance, targets and pathways to ensure on time reporting for FY26
			Delivery of the refinancing of the Company's $250m Australian Medium Term Notes which were due to mature in July 2026
Theresa Mlikota	TRIFR performance relative to 30 June 2025 with no serious, permanently disabling injury or fatality	Group EBITDA relative to FY26 budget	Completion of applicable milestones in the ERP replacement project in accordance with approved timeframes and budget
		Group ROA relative to FY26 budget	Establishment of ESG governance, targets and pathways to ensure on time reporting for FY26
			Delivery of the refinancing of the Company's $250m Australian Medium Term Notes which were due to mature in July 2026

When is STI performance measured?	Achievement against the STI KPIs is assessed in August 2026 in conjunction with finalisation of the Company's full year results.

Remuneration Report

Variable remuneration - FY26 Short-term incentive plans (FY26 STI)

How are STIs assessed and paid?	The RNC considers performance against the applicable KPIs and makes recommendations to the Board for approval (as appropriate). Under the terms of the FY26 MSTI plan, any award would be paid in cash in FY27. Under the terms of the FY26 CEO STI plan: • 80% of the total STI award would be paid in cash. • A portion of any CEO STI may be payable in equity (using a share price of $0.65) unless Mr Testrow elects to take the whole of any STI award as cash. • Any STI equity award would be subject to approval by shareholders and subject to a vesting period. • Any STI equity award not approved by shareholders, would be paid in cash.
What happens if an executive leaves?	Under the FY26 STI plans, cash awards are only paid if the executive is employed by the Group after performance is assessed against the relevant STI KPIs. If there is an equity award under the FY26 CEO STI plan, that equity would vest on the earlier of the date Mr Testrow's employment ends and the release of the FY27 full year results.

Variable remuneration - FY26 Long-term incentive plans (FY26 LTI)

What is the Management LTI plan?	The FY26 MLTI plan is an equity incentive that rewards executives (excluding the Managing Director & Chief Executive Officer) for their contribution to achievement of certain KPIs over a three-year period. Under the FY26 MLTI plan, executives received performance rights (**Rights**), with the maximum possible award being calculated based on a volume-weighted average price of Emeco shares. Each Right can, subject to satisfaction of the relevant KPIs, vest and be exercised into fully paid ordinary Emeco shares (**Shares**) following release of the Company's FY28 full year results (unless the executive's employment ends earlier or there is a change of control as set out below).
What is the CEO LTI plan?	The FY26 CEO LTI plan is an equity incentive that rewards the Managing Director & Chief Executive Officer for his contribution to the achievement of certain KPIs over a one-year period. The maximum possible award of Rights under the FY26 CEO LTI plan was calculated using a share price of $0.65 pursuant to Mr Testrow's employment agreement. Subject to satisfaction of the relevant KPIs, all Rights granted under the FY26 CEO LTI plan will vest and be exercisable into Shares on release of the Company's FY27 full year results (unless Mr Testrow's employment ends earlier or there is a change of control as set out below). Shareholders approved the CEO LTI plan for FY26 at the 2023 AGM pursuant to ASX Listing Rule 10.14.
When is performance measured under the MLTI Plan?	The FY26 MLTI plan spans a three-year performance period. Under the FY26 MLTI Plan, one-third of an executive's maximum entitlement is tested each year against the KPIs set for that year. The Board believes that assessing KPIs each year is appropriate given the cyclic nature of the mining sector. Assessing achievement annually ensures that executives are rewarded for their performance in each year of the performance period.
When is performance measured under the CEO LTI Plan?	The FY26 CEO LTI plan spans a one-year performance period but is not scheduled to vest until release of the Company's FY27 full year results. Under this plan, Mr Testrow's maximum entitlement is tested against the KPIs set for that year.
What are the LTI KPIs?	To ensure continued appropriate alignment of the KPI to strategic goals, business performance and shareholder interests throughout the business and industry cycle, the Board considers the KPIs for the performance period at the beginning of the relevant year. The FY26 KPIs and weighting for the FY26 testing period for each LTI plan are set out below.

KPI	Weighting for the FY26 testing period
FY26 earnings per share growth	50%
FY26 total shareholder return growth	50%

Remuneration Report

Variable remuneration - FY26 Long-term incentive plans (FY26 LTI)

How are KPIs assessed?	Achievement against the FY26 LTI KPIs is assessed by the Board, on recommendation of the RNC, in August 2026 in conjunction with finalisation of the Company's full year results. The FY26 KPIs were set so that executives would receive the full award for the testing period if EPS growth was 5% or greater and TSR growth was 10% or greater. Under the FY26 LTI Plans, if there was no EPS growth and TSR growth was 5% or lower, the Rights assessed against the FY26 KPIs would lapse. Between these levels, there would be a pro rata award.
How are awards paid?	Rights are assessed and will be eligible to vest if the KPIs are partially or fully satisfied for a performance period. Where KPIs are not fully satisfied, all or some of the Rights issued for that performance period will lapse. Subject to satisfaction of the relevant KPIs, Rights issued under the FY26 CEO LTI Plan and the FY26 MLTI plan are scheduled to vest after announcement of Emeco's full year results in FY27 and FY28 respectively. Executives have the option to convert vested Rights into Shares at any time within 5 years from the vesting date, unless the executive leaves Emeco earlier (see "What happens if an executive leaves?" below). Rights under the FY26 LTI plans were issued at no cost to the executive. The ultimate value of the FY26 LTI award is determined by the Emeco share price once the Rights have vested and are converted into Shares, providing further alignment with the long-term interests of shareholders.
What happens under the FY26 MLTI if an executive leaves or there is a change of control?	Under the FY26 MLTI plan, if Emeco terminates an executive's employment for misconduct or other breach of employment contract, all the Rights issued to the executive under that plan will lapse unless otherwise determined by the Board. If the executive leaves the Emeco Group for any other reason, Rights that have been tested against the relevant KPIs under the FY26 MLTI plan will immediately vest and must be exercised into Shares within 2 years from vesting. The executive will have no entitlement to untested Rights, which will lapse. In the event of an absolute change in control (i.e. a third party and its associates holds greater than 50% of the Company's ordinary shares) or an effective change of control (i.e. occurrence of an event which results in a third party and its associates having the capacity to determine the outcome of decisions on the Company's financial and operating policies) (**Change of Control**) the following Rights will vest on the change date: • Rights which have been tested under the FY26 MLTI plan; and • Rights in respect of future testing periods that have not yet been tested.
What happens under the CEO LTI plan if the executive leaves or there is a Change of Control event?	If: • Mr Testrow resigns, and his employment ends before 30 June 2027; • The Company terminates his employment; or • The directors determine that there has been serious misconduct or a material breach of policy (as defined in the employment agreement), Mr Testrow would receive Rights tested prior to the date his employment ends. However, any equity incentives in respect of part years worked or not yet worked would be forfeited. In accordance with shareholder approvals obtained at the Company's 2023 and 2024 AGMs, if Mr Testrow's employment ends due to the total or permanent disability or death of Mr Testrow or there is a Change of Control (as described in the section above), Mr Testrow would receive the maximum equity incentives available under the FY24-27 CEO LTI plans which have not yet been tested or awarded (in addition to equity incentives that have been tested) and all Rights which have been awarded under the FY24-27 CEO LTI or STI plans would vest. As part of the extension of Mr Testrow's employment agreement announced to the ASX on 23 July 2026 and to implement Mr Testrow's incentive arrangements beyond FY27, shareholder approval will be sought for similar provisions in respect of the FY28-31 CEO LTI plans. Under the FY26 CEO LTI plan, if the employment of the Managing Director & Chief Executive Officer were to end prior to 30 June 2027, the executive will have up to 2 years to exercise any vested Rights.
What other terms apply to the Rights?	Dividends are not payable, and there are no voting entitlements, on Rights issued under the LTI plans (whether vested or unvested). Rights cannot be disposed of, other than by conversion of vested Rights into Shares (which can then be transferred or sold subject to the Company's share trading policy).

5. Executive contracts

Employment agreements

FY26 remuneration arrangements for executives are formalised in their employment agreements. Specific details of the LTI and STI Plans, including the associated KPIs, are issued by the Company to executives in writing each year.

The executive employment agreements are for an indefinite term unless terminated by either the Company or the executive. The termination provisions under the executives' employment agreements during FY26 are as follows:

Executive	Resignation	Termination for cause	Termination payment [1]
Managing Director & CEO notice period (by company or executive)	12 months' notice	No notice [2]	See description below [3][4]
CFO notice period (by company or executive)	6 months' notice	No notice	Nil

(1) Other than salary in lieu of notice and accrued statutory leave entitlements.

(2) Until 30 June 2027, Mr Testrow's employment can only be terminated in specified circumstances, such as serious misconduct, material breach of policy, bankruptcy, serious or persistent breach of employment agreement, on conviction of an indictable offence (excluding road traffic offences absent a custodial penalty) and other similarly serious circumstances.

(3) In accordance with shareholder approvals obtained at the Company's 2023 and 2024 AGMs, if Mr Testrow's employment ends before 30 June 2027 other than due to total or permanent disability or death, Mr Testrow would receive any Rights tested or awarded under the CEO LTI plans or CEO STI plans at the time his employment ends, and any Rights not tested at the time his employment ends would lapse. If Mr Testrow's employment ends before 30 June 2027 due to total or permanent disability or death, Mr Testrow would receive his unpaid fixed remuneration up to 30 June 2027 and any Rights that have been already tested or awarded under the CEO LTI plan and CEO STI plan would vest, together with the maximum Rights available under the CEO LTI plans up to and including FY27 which have not yet been tested.

(4) As part of the extension of Mr Testrow's employment agreement announced to the ASX on 23 July 2026 and to implement Mr Testrow's employment arrangements beyond FY27, shareholder approval will be sought to extend the arrangements set out in note (3) immediately above through to 30 June 2031.

6. Relationship between executive remuneration and company performance

Emeco's remuneration objectives aim to align the interests of Emeco's executives with the interests of the Company and its shareholders. This is achieved by ensuring that a significant proportion of an executive's remuneration is "at risk" and tied to the satisfaction of KPIs which relate to the Company's performance, strategy and long-term growth and value creation.

The FY26 KPIs for variable components of executive remuneration were again directed at advancing the Group's business priorities and continuing to build a sustainable and resilient business that generates long-term value for shareholders.

In FY26, the Company maintained a focus on its core capabilities across equipment rental, maintenance, rebuilds, asset management and condition monitoring, supported by technology-enabled solutions. Key business priorities included maintaining a strong safety record, maintaining a strong balance sheet with a focus on delivering strong free cash flow and improving leverage, refinancing the Company's $250m Australian Medium Term Notes and investing in technology and systems.

These business priorities and objectives were reflected through the FY26 STI and LTI KPIs. The FY26 STI KPIs focussed on safety, earnings, efficiency and executive-specific personal targets highlighting key Company priorities and projects. The FY26 LTI KPIs of growth in earnings per share and total shareholder return were designed to further increase alignment between management and shareholders by recognising the importance of financial outcomes in overall Company performance and the generation of long-term shareholder value.

The Company's financial and operational performance in FY26, as set out below and in the Operating and Financial Review, reflects the dedication of the executive team in driving delivery in these key strategic areas in a market impacted by fuel price pressures, geopolitical uncertainty, economic instability and prolonged wet weather in Queensland.

Further detail regarding satisfaction of incentive plan KPIs including personal goals and key initiatives for each executive under the individual STI targets are set out below.

Company performance

Details of the Group's performance (as measured by a range of financial and other indicators, including disclosure required by the Act) and movements in shareholder wealth are set out in the following table:

	FY26	FY25	FY24	FY23	FY22
Operating EBITDA ($m) (1)	292.5	301.1	280.5	250.4	250.2
Operating EBIT ($m) (1)	148.0	145.7	125.3	104.6	120.7
Operating NPAT ($m) (1)	89.0	84.5	69.4	59.1	68.9
Net leverage	0.43x	0.65x	1.00x	1.10x	0.96x
Return on capital (1)	17%	17%	15%	13%	16%
Total dividends determined ($m) (2)	-	-	-	13.0	13.3
Total shares bought back ($m) (3)	-	-	0.4	7.3	18.4
Closing share price as at 30 June	$0.97	$0.83	$0.71	$0.65	$0.65
TRIFR (4)	2.3	3.4	2.8	3.2	1.9

(1) Non-IFRS measures. Refer to the Operating and Financial Review for further detail regarding operating adjustments.

(2) FY22 figure includes dividends determined and paid in respect of 1H22 and determined in respect of the FY22 full year and paid in FY23. The FY23 figure includes dividends determined and paid in respect of 1H23 and determined in respect of the FY23 full year and paid in FY24.

(3) Total shares bought back reflects the monetary value of shares to be bought back in respect of the financial year under announced on-market share buy-back schemes.

(4) Safety data for FY23 was restated from 2.9 to 3.2 due to injury classification/correction to prior period numbers.

Remuneration Report

7. Executive remuneration for FY26

7.1 Remuneration review

Following the recommendation of the RNC, in August 2025 the Board approved a 3.6% inflationary increase to Mr Testrow's and Ms Mlikota's fixed remuneration. A further 0.5% increase was applied to compensate for the legislated increase in employer superannuation guarantee contributions in FY26.

7.2 Variable remuneration outcomes

In FY26, executives had both common and individual KPIs in order to align the performance of each executive with the overall strategy and success of the Company and the interests of shareholders. Set out below is information regarding satisfaction of the applicable KPIs for the FY26 STI and LTI plans.

7.2.1 STI plans

The table below sets out the KPIs for the FY26 CEO STI plan and the FY26 MSTI plan and the respective weightings. The FY26 STI plans provided for pro-rata entitlements where achievement was between the thresholds and targets.

FY26 STI KPI weightings, payment schedule and achievement

KPI	Weight	Payment schedule	Rationale	Achievement
Safety				
TRIFR [1]	10%	0% if the Group TRIFR as at 30 June 2026 is equal to or higher than Group TRIFR as at 30 June 2025. 100% if the Group TRIFR as at 30 June 2026 is 10% lower than the Group TRIFR as at 30 June 2025. Pro-rata payments between these levels. No entitlement if there is a serious, permanently disabling injury or a fatality.	The Board regularly reviews the Company's safety performance in detail and is striving to achieve a 'zero-harm' workplace at Emeco. TRIFR measures performance against this goal.	0%
Financial				
Group EBITDA [2]	35%	0% if actual FY26 Group EBITDA ≤ 85% of budget FY26 Group EBITDA. 100% if actual FY26 Group EBITDA ≥ 105% of budget FY26 Group Operating EBITDA. Pro-rata payments between these levels.	Reflects the Company's financial performance and ability to pay STI awards.	13.7%
Group ROA [2]	35%	0% if actual FY26 Group ROA ≤ 85% of budget FY26 Group ROA. 100% if actual FY26 Group ROA ≥ 100% of budget FY26 Group ROA. Pro-rata payments between these levels.	Reflects the Company's focus on efficient utilisation of assets and profitability.	25%
Personal KPIs	20%	Satisfaction of key initiatives set by the Board for each executive.	Reflects key focus areas for each executive which are central to the Company's performance, strategy and operations.	5 - 15%

(1) TRIFR = (Number of recordable injuries x 1,000,000 hours) / Total hours worked.

(2) Non-IFRS measures. Refer to the Operating and Financial Review for further detail regarding operating adjustments.

Remuneration Report

Personal FY26 STI KPI weightings, and achievement

KPI	Weight	Achievement
CEO STI KPIs		
Completion of applicable milestones in the ERP replacement project in accordance with approved timeframes and budget	5%	0%
Right-sizing of rental fleet through disposal of targeted amount of underutilised assets	10%	0%
Establishment of ESG governance, targets and pathways to ensure on time reporting for FY26	2.5%	2.5%
Delivery of the refinancing of the Company's $250m Australian Medium Term Notes which were due to mature in July 2026	2.5%	2.5%
CFO MSTI KPIs		
Completion of applicable milestones in the ERP replacement project in accordance with approved timeframes and budget	5%	0%
Establishment of ESG governance, targets and pathways to ensure on time reporting for FY26	5%	5%
Delivery of the refinancing of the Company's $250m Australian Medium Term Notes which were due to mature in July 2026	10%	10%

7.2.2 LTI plans FY26 performance period

The Board sets the KPIs for the current LTI plans at the start of the performance period, in order to ensure that the KPIs are appropriate and target those areas most applicable to the Company's current strategic goals and business objectives.

Similar to previous years, the Board determined that the same KPIs would apply to the FY26 performance periods under each of the open LTI plans, being the FY26 CEO LTI, year 1 of the FY26 MLTI, year 2 of the FY25 MLTI and year 3 of the FY24 LTI.

FY26 LTI KPI weightings, payment schedule and achievement

KPI	Weight for the FY26 performance period	Payment schedule	Rationale	Achievement
Earnings per share (**EPS**) growth	50%	0% if the FY26 EPS growth is 0% or less. 100% if the FY26 EPS growth is 5% or greater. Pro-rata payments between these levels.	EPS growth is a key metric of business performance aligning management with shareholder value creation	39.2%
Total shareholder return (**TSR**) growth	50%	0% if the FY26 TSR growth is 5% or less. 100% if the FY26 TSR growth is 10% or greater. Pro-rata payments between these levels.	TSR growth reflects and aligns management to shareholders' experience through focus on the Company's share price and movements	100%

Remuneration Report

7.2.3 Incentive outcomes

STI

As set out above, the FY26 STI KPIs focused on safety, financial and executive-specific personal targets.

The Company delivered solid financial performance in challenging market conditions with Operating EBITDA of $292.5m and ROA of 15.9% for FY26. Costs were carefully managed to minimise the financial impacts of wet weather and geopolitical events.

Regrettably there was a lost time injury recorded during the period which impacted the achievement of the safety KPI, however, the TRIFR improved from 3.4 at the end of FY25 to 2.3 at the end of FY26.

This, combined with partial achievement of personal STI KPIs targeted at key business objectives, resulted in overall achievement assessed against the KPIs of 43.7% for Mr Testrow and 53.7% for Ms Mlikota.

The following table outlines the proportion of maximum incentive opportunity that was awarded (i.e. received following testing) or forfeited (i.e. not received following testing) in relation to the FY26 STI plans.

Executive	**Maximum STI** (% of TFR)	**STI awarded** (% of Maximum STI available)	**STI forfeited** (% of Maximum STI available)
Ian Testrow	130%	43.7%	56.3%
Theresa Mlikota	90%	53.7%	46.3%

LTI

The Company recorded EPS growth of 2% and TSR growth of 25.8% during FY26, resulting in an overall assessment against the FY26 LTI KPIs of 69.6%.

The following table outlines the proportion of maximum incentive opportunity that was awarded (i.e. received following testing) or forfeited (i.e. not received following testing) in relation to the FY26 LTI plans.

FY26 CEO LTI outcomes

Executive	**Maximum LTI** (% of TFR)	**LTI awarded** [1] (% of Maximum LTI)	**LTI forfeited** (% of Maximum LTI)
Ian Testrow	120%	69.6%	30.4%

(1) Awards under the FY26 CEO LTI plan were approved by shareholders at the 2023 AGM and are scheduled to vest on release of Emeco's FY27 full year results.

FY26 MLTI outcomes

Executive	**Maximum LTI** (% of TFR)	**LTI tested and earned in FY26** (% of Maximum LTI available over 3-year period)	**LTI tested and forfeited in FY26** (% of Maximum LTI available over 3-year period)	**LTI to be tested across FY27 & FY28** (% of Maximum LTI available over 3-year period)
Theresa Mlikota	90%	23.2%	10.1%	66.7%

As noted above, the FY26 KPIs also applied to the FY26 performance period under the FY24 MLTI and FY25 MLTI plans. As such, for executives participating in these plans, there has been a partial 69.6% award for the FY26 performance period for each of the LTI plans currently on foot.

Remuneration Report

Awards under prior year LTI plans

The graphic below summarises the outcomes under the FY23 to FY26 LTI plans to date.

	Performance period					
Plan	**FY23** ***KPI: EPS growth***	**FY24** ***KPI: EPS growth***	**FY25** ***KPI: EPS growth and TSR growth***	**FY26** ***KPI: EPS growth and TSR growth***	**FY27**	**FY28**
FY23 LTI *Maximum percentage to be earned in each of the three performance periods is 33.3%*	0%	33.3%	33.3%			
FY24 MLTI *Maximum percentage to be earned in each of the three performance periods is 33.3%*		33.3%	33.3%	23.2%		
FY25 MLTI *Maximum percentage to be earned in each of the three performance periods is 33.3%*			33.3%	23.2%		
FY26 MLTI *Maximum percentage to be earned in each of the three performance periods is 33.3%*				23.2%		

	Performance period			
CEO LTI Plans	**FY24** ***KPI: EPS growth***	**FY25** ***KPI: EPS growth and TSR growth***	**FY26** ***KPI: EPS growth and TSR growth***	**FY27**
FY24 CEO LTI *Maximum percentage to be earned in the performance period is 100%*	100%			
FY25 CEO LTI *Maximum percentage to be earned in the performance period is 100%*		100%		
FY26 CEO LTI *Maximum percentage to be earned in the performance period is 100%*			69.6%	

Graphic notes:

(1) Mr Testrow is a participant of the FY23 LTI, FY24 CEO LTI, FY25 CEO LTI and FY26 CEO LTI plans. Ms Mlikota is a participant of the FY24 MLTI, FY25 MLTI and FY26 MLTI plans.

(2) The FY23 LTI vested after release of the Company's FY25 full year results. Overall performance under the plan as assessed against the relevant KPIs for FY23, FY24 and FY25 was 66.6%.

(3) The FY24 MLTI will vest after release of the Company's FY26 full year results. Overall performance under the plan as assessed against the relevant KPIs for FY24, FY25 and FY26 was 89.8%.

(4) The FY24 CEO LTI is scheduled to vest after release of the Company's FY27 full year results. Overall performance under the plan as assessed against the FY24 KPI was 100%.

(5) The FY25 MLTI has been partially assessed against the relevant FY25 and FY26 KPIs. 33.3% of the Rights under the plan have not yet been assessed. These rights will be assessed against the FY27 KPI. The FY25 MLTI is scheduled to vest after release of the Company's FY27 full year results.

(6) The FY25 CEO LTI is scheduled to vest after release of the Company's FY27 full year results. Overall performance under the plan as assessed against the FY25 KPI was 100%.

(7) The FY26 MLTI has been partially assessed against the FY26 KPIs. 66.6% of the Rights under the plan have not yet been assessed. These rights will be assessed against the relevant FY27 and FY28 KPIs. The FY26 MLTI is scheduled to vest after release of the Company's FY28 full year results.

(8) The FY26 CEO LTI is scheduled to vest after release of the Company's FY27 full year results. Overall performance under the plan as assessed against the FY26 KPI was 69.6%.

(9) Details of the relevant KPIs and outcomes for FY23 to FY25 are set out in the Company's annual report for that period.

Remuneration Report

7.3 Statutory Executive KMP remuneration

The following table sets out total remuneration for executive KMP in FY26 and FY25, calculated in accordance with statutory accounting requirements.

		Short-term employee benefits			Post-employment benefits			Share-based payments		
KPM		Salary & fees [1]	Short-term bonus payments [2]	Non-monetary	Superannuation	Other long-term benefits [3]	Termination benefits	Long-term equity incentives [4]	Total statutory remuneration	% of remuneration performance related
Executive director										
Ian Testrow [5]	FY26	1,237,620	771,347	689,153	30,000	33,636	-	1,340,221	4,101,977	51%
	FY25	1,356,157	1,076,017	596,008	30,000	38,695	-	1,660,241	4,757,119	58%
Other executives										
Theresa Mlikota	FY26	672,168	345,799	-	30,000	13,286	-	515,657	1,576,910	55%
	FY25	678,199	390,472	-	30,000	12,135	-	402,738	1,513,544	52%
TOTAL KMP remuneration	**FY26**	**1,909,788**	**1,117,146**	**689,153**	**60,000**	**46,922**	**-**	**1,855,878**	**5,678,887**	**52%**
	FY25	2,034,356	1,466,489	596,008	60,000	50,830	-	2,062,979	6,270,663	56%

(1) These figures include annual leave accrual adjustments.

(2) The FY25 figure includes awards under the FY25 STI as approved by the Board in August 2025 after review of performance against applicable KPIs and paid during FY26. Similarly, FY26 figure includes awards under the FY26 STI as approved by the Board in August 2026 after review of performance against applicable KPIs and paid during FY27.

(3) Long service leave accruals are revalued where an employee's remuneration increases. Figures also include certain on-costs which may be re-calculated from time to time.

(4) The FY25 figure includes Rights granted by the Company (for accounting purposes) in FY23 to FY25. The FY26 figure includes Rights granted by the Company (for accounting purposes) in FY23 to FY26.

(5) The non-monetary benefit for Mr Testrow reflects the zero-interest component of the loan provided by a subsidiary of the Company, of $310,870 plus estimated FBT of $378,283 totalling $689,153 (FY25: $596,008). Refer to the notes to the financial statements for further information.

8. Non-executive director remuneration

Fees for non-executive directors are fixed and are not linked to the financial performance of the Company. The Board believes this is necessary for non-executive directors to maintain their objectivity and avoid any perceived bias in their decision-making.

Non-executive director fees are usually reviewed annually in August. The Board may consider advice from external consultants when undertaking the annual review process.

The ASX listing rules specify that the non-executive directors fee pool shall be determined from time to time by a general meeting. The Company's constitution has provided for an aggregate fee pool of $1,200,000 per year since its listing on the ASX.

The Board will not seek any increase for the non-executive directors' pool at the 2026 AGM.

Structure

The allocation of fees to non-executive directors within this cap has been determined after consideration of a number of factors including the time commitment of directors, the size and scale of the Company's operations, the skill sets of Board members, the quantum of fees paid to non-executive directors of comparable companies and participation as chair or in board committee work.

From 1 July 2025, in accordance with the recommendation of the Remuneration and Nomination Committee:

- The non-executive director fees were increased by 3.6%.
- The legislated increase in superannuation guarantee contributions of 0.5% was applied for non-executive directors.

The table below summarises the non-executive directors' fee policy for FY26 (inclusive of superannuation):

Board fees	**30 June 2026**	**30 June 2025**
Chair	$193,990	$186,413
Director	$122,593	$117,806

Committee fees	**30 June 2026**	**30 June 2025**
Committee Chair	$16,345	$15,707
Committee Member	$12,259	$11,781

Remuneration Report

Non-executive directors do not receive retirement or termination benefits, nor do they participate in any short or long-term incentive programs.

The remuneration of non-executive directors for FY26 and FY25 is detailed below.

Statutory non-executive director remuneration

		Short-term employee benefits	Post-employment benefits	Long-term	
Non-executive directors		**Salary and fees**	**Superannuation benefits**	**Long-term equity incentives**	**Total**
Ian Macliver (1)	FY26	194,941	23,393	-	218,334
	FY25	105,024	12,078	-	117,102
Peter Frank	FY26	120,309	14,437	-	134,746
	FY25	141,706	16,280	-	157,986
James Walker III	FY26	109,518	13,142	-	122,660
	FY25	104,630	12,032	-	116,662
Shaun Treacy (2)	FY26	97,096	11,652	-	108,748
	FY25	-	-	-	-
James Scott (3)	FY26	12,630	1,516	-	14,146
	FY25	-	-	-	-
Sarah Adam-Gedge (4)	FY26	51,908	6,229	-	58,137
	FY25	118,576	13,625	-	132,201
Peter Kane (5)	FY26	-	-	-	-
	FY25	49,509	5,106	-	54,615
TOTAL	**FY26**	**586,402**	**70,369**	**-**	**656,771**
	FY25	**519,445**	**59,121**	**-**	**578,566**

(1) Mr Macliver commenced as a director and Chair of the Board on 1 December 2024.
(2) Mr Treacy commenced as a director on 1 October 2025.
(3) Mr Scott commenced as a director on 18 May 2026.
(4) Ms Adam-Gedge retired as a director on 20 November 2025.
(5) Mr Kane retired as a director on 20 November 2024.

9. Additional disclosures relating to share-based payments

Grants and vesting of equity-settled awards made during FY26 to executives in connection with the Company's open long-term incentive plans are set out in the table below.

All grants are rights to receive one fully paid ordinary Emeco share. The vesting of rights is subject to satisfaction of vesting conditions. Once vested, a participant has a period within which to exercise the right (at zero cost) and receive shares.

Remuneration Report

Summary of executive KMP allocated, vested or lapsed equity

Executive	KPI (1)	Grant date (2)	Number granted	Number forfeited to the date of this report(3)	Number vested to the date of this report(4)	Entitlement as at the date of this report(5)	Vesting date (4)(6)	Fair value per share/right at grant date (7) (8) (9)
Ian Testrow (A)								
2023 LTI (Year 1) (B)	EPS	– (D)	– (D)	-	-	-	-	-
LTI (Year 2) (B)	EPS	20/11/2024	479,192(D)	-	479,192	479,192	21 Aug 2025	$0.81
LTI (Year 3) (B)	EPS/TSR	20/11/2025	479,192	-	479,192	479,192	20 Nov 2025	$0.75
2024 CEO LTI	EPS	29/11/2023	2,307,693	-	-	2,307,693	Aug 2027	$0.71
2025 CEO LTI	EPS/TSR	29/09/2024	2,405,770	-	-	2,405,770	Aug 2027	$0.75/$0.39
2025 CEO STI (C)	STI	20/11/2025	330,994	-	-	330,994	Aug 2027	$1.26
2026 CEO LTI	EPS/TSR	25/08/2025	2,504,408	761,341	-	1,743,067	Aug 2027	$1.05/$0.85
Theresa Mlikota								
2024 MLTI (Year 1)	EPS	29/09/2024	271,881	-	-	271,881	Aug 2026	$0.64
MLTI (Year 2)	EPS/TSR	29/09/2024	271,881	-	-	271,881	Aug 2026	$0.75/$0.39
MLTI (Year 3)	EPS/TSR	29/09/2024	271,881	82,652	-	189,229	Aug 2026	$0.83/$0.43
2025 MLTI (Year 1)	EPS/TSR	29/09/2024	276,585	-	-	276,585	Aug 2027	$0.75/$0.39
MLTI (Year 2)	EPS/TSR	29/09/2024	276,584	84,082	-	192,502	Aug 2027	$0.83/$0.43
MLTI (Year 3)	EPS/TSR	29/09/2024	276,584(E)	-	-	276,584	Aug 2027	$0.83/$0.43
2026 MLTI (Year 1)	EPS/TSR	25/08/2025	273,240	83,065	-	190,175	Aug 2028	$1.05/$0.85
MLTI (Year 2)	EPS/TSR	25/08/2025	273,240(E)	-	-	273,240	Aug 2028	$0.98/$0.52
MLTI (Year 3)	EPS/TSR	25/08/2025	273,239(E)	-	-	273,239	Aug 2028	$0.98/$0.52

(A) Mr Testrow's grant of awards under the: (i) FY24 CEO LTI Plan, FY25 CEO LTI Plan and FY26 CEO LTI Plan were approved by shareholders on 29 November 2023; (ii) FY23 LTI (Year 2) was approved by shareholders on 20 November 2024; and (iii) FY23 LTI (Year 3) and the FY25 CEO STI were approved by shareholders on 20 November 2025. While Mr Testrow was able to receive a maximum entitlement of up to 479,193 Rights under the FY23 LTI (Year 1), the relevant KPI for the testing period was not achieved and no Rights were granted.

(B) Rights under the FY23 LTI vested on 21 August 2025, becoming vested performance rights capable of being exercised into ordinary shares, save for Mr Testrow's Rights for FY23 LTI (Year 3) which were still subject to shareholder approval, and which vested and became capable of being converted to ordinary shares once this approval was obtained on 20 November 2025. While Mr Testrow remains employed by Emeco, these Rights can be exercised into ordinary shares on Mr Testrow's election within 5 years of the vesting date. While Mr Testrow was able to receive a maximum entitlement of up to 479,193 Rights under the FY23 LTI (Year 1), the relevant KPI for the FY23 testing period was not achieved and no Rights were granted. Further details regarding the FY23 LTI plan are set out in the FY23 remuneration report.

(C) Pursuant to Mr Testrow's employment agreement Mr Testrow had the opportunity under the FY25 CEO STI Plan to receive 20% of the FY25 CEO STI award in equity, determined using a share price of $0.65, unless Mr Testrow elected to receive the whole of the award in cash. Full details of the terms of the FY25 CEO STI Plan and Mr Testrow's achievement against the FY25 CEO STI KPIs is set out in the Company's 2025 remuneration report. Mr Testrow did not elect to receive the whole of the award in cash and was therefore entitled to receive 330,994 Rights. Rights under the FY25 CEO STI Plan were issued on 20 November 2025, following approval by shareholders at the Company's 2025 AGM.

(D) Mr Testrow was able to receive a maximum entitlement of up to 479,193 Rights under the FY23 LTI (Year 1), subject to satisfaction of the KPI for the FY23 testing period and shareholder approval. The relevant KPI was not met and as such shareholder approval was not sought and these Rights were not granted.

(E) This figure represents the maximum entitlement for the relevant performance period and is subject to assessment against the relevant KPIs for the FY27 and FY28 testing periods. Following such assessment, a portion of the Rights may lapse if the relevant KPIs are not satisfied in full.

(1) KPIs are set by the Board at the commencement of each testing period. An EPS KPI relates to earnings per share growth. A TSR KPI relates to total shareholder return growth. The EPS and TSR KPIs for the FY23 LTI plan (year 3), the FY25 CEO Plan, the FY24 MLTI Plan (years 2 and 3), the FY25 MLTI Plan (years 1 and 2), the FY26 MLTI Plan (year 1) and the FY26 CEO LTI Plan are weighted equally. The KPIs for the FY25 MLTI Plan (Year 3) and FY26 MLTI Plan (year 2) will be set at the commencement of FY27 and the KPI for the FY26 MLTI Plan (year 3) will be set at the commencement of FY28, however, for the purposes of determining fair value for this report, it has been assumed that, similar to the FY26 testing period, they will be equally weighted EPS and TSR KPIs.

(2) Grant date in this table relates to the grant of the long-term incentive for accounting purposes only and may, in some cases, differ from the date Rights may be issued over the course of the life of the plan. The grant date (for accounting purposes) for the FY24 MLTI changed in FY25 due to the addition of a second KPI for the FY25 testing period.

(3) There was no award for FY23 LTI (Year 1) due to failure to satisfy the KPI for the FY23 testing period. Following the KPI assessment for the FY24 and FY25 testing periods, there was a 100% award (and 0% forfeit) for the FY23 LTI Plan (years 2 and 3), FY24 MLTI Plan (years 1 and 2), FY25 MLTI Plan (year 1), FY24 CEO LTI Plan and FY25 CEO LTI Plan. Following the KPI assessment for the FY26 testing period, there was a partial 69.6% award for the FY24 MLTI Plan (year 3), the FY25 MLTI Plan (year 2), the FY26 MLTI (year 1) and the FY26 CEO LTI Plan, with the remaining 30.4% of Rights lapsing.

(4) Vesting of Rights are subject to satisfaction of vesting and performance conditions and, in some circumstances, may be earlier than the date stated above. A participant has a period of time after the vesting date in which to exercise any vested rights into shares. Full details of the vesting conditions and the periods for conversion of Rights into shares are included in the remuneration report for the relevant year.

(5) Includes amounts for FY26 CEO LTI, FY24 MLTI (year 3), FY25 MLTI (year 2) and FY26 MLTI (year 1) following the assessment of the FY26 KPI by the Board after the end of the FY26 financial year.

(6) Where exact vesting dates are not noted, the vesting date will follow release of the Company's full year results in the relevant year.

(7) The fair value of Rights granted in the year is calculated at grant date using a Black-Scholes (for EPS growth KPI) and a Monte Carlo (for TSR growth KPI) option-pricing model. Where there is a single KPI for a testing period, the fair value is calculated based on that KPI. Where there is more than one KPI for a testing period, a fair value is calculated based on each KPI. The FY25 CEO Plan, FY26 CEO LTI Plan, the FY24 MLTI plan (years 2 and 3), the FY25 MLTI plan (years 1, 2 and 3) and the FY26 MLTI Plan (years 1, 2, and 3) each have two KPIs, weighted equally, with the fair value for each KPI listed in the table in the same order as the KPIs are stated for the relevant testing period. The fair value of all Rights is not related to or indicative of the benefit (if any) that an executive may ultimately realise if the Rights vest.

(8) The fair value is allocated to each reporting period evenly over the period from grant date to vesting date. The fair value of the FY24 MLTI changed in FY25 as a consequence of the change in grant date (for accounting purposes) and the addition of a second KPI for the FY25 testing period. The value disclosed in the KMP remuneration table is the portion of the fair value of the securities recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the relevant period.

(9) The minimum total value of the Rights for future financial years is zero if performance and/or vesting conditions are not satisfied. An estimate of the maximum possible total value in future financial years is the fair value at grant date multiplied by the number of Rights received.

Remuneration Report

KMP Rights

Details of Rights held by KMP, including their personally related entities, for FY26 are as follows:

KMP	Rights (1)	Holding at 1 July 2025	Rights issued in FY26 (2)	Rights vested and exercisable in FY26 (3)	Rights exercised in FY26	Holding at 30 June 2026(4)
Executive director						
Ian Testrow	Rights / performance rights	5,740,747	3,314,594	958,384	-	9,055,341
Other executives						
Theresa Mlikota	Rights / performance rights	1,645,396	819,719	-	-	2,465,115

(1) A 'performance right' is a right to receive one fully paid ordinary Emeco share. The vesting of performance rights is subject to satisfaction of vesting conditions. A performance right will, on vesting, become exercisable into ordinary shares at the election of the holder within the exercise period.

(2) Rights were issued to Mr Testrow under (1) the FY26 CEO LTI Plan as approved by shareholders at the Company's 2023 AGM and (2) the FY25 CEO STI Plan and (3) FY23 LTI Plan (year 3) as approved by shareholders at the Company's 2025 AGM. Rights were issued to Ms Mlikota under the FY26 MLTI Plan.

(3) Rights under the FY23 LTI Plan vested on 21 August 2025, becoming vested performance rights capable of being exercised into ordinary shares, save for those rights subject to shareholder approval, which were issued and vested once this approval was obtained on 20 November 2025. These vested performance rights are capable of being exercised into ordinary shares.

(4) Prior to any Rights lapsing following the KPI assessment for the FY26 testing period or any Rights vesting following the release of the FY26 full year results.

KMP Shareholding

Details of Shares held by KMP, including their personally related entities, for FY26 are as follows:

	Holding at 1 July 2025	Shares received as a result of rights exercised in FY26	Shares otherwise issued in FY26	Net other changes	Holding at 30 June 2026(4)
Non-executive directors					
Ian Macliver	-	-	-	-	-
Peter Frank	-	-	-	-	-
James Walker III	-	-	-	-	-
Shaun Treacy (1)	-	-	-	-	-
James Scott (2)	-	-	-	-	-
Sarah Adam-Gedge (3)	-	-	-	-	-
Executives					
Ian Testrow	15,176,533	-	-	-	15,176,533
Theresa Mlikota	-	-	-	-	-

(1) Mr Treacy was appointed as a director from 1 October 2025.
(2) Mr Scott was appointed as a director from 18 May 2026.
(3) Ms Adam-Gedge retired as a director on 20 November 2025.
(4) Prior to any Rights being converted into ordinary shares following the release of the FY26 full year results.

10. Loans to key management personnel and their related parties

As approved by shareholders at the 2022 AGM, a zero-interest loan for a principal amount of $4,948,640.55 was provided by a subsidiary of the Company to Mr Ian Testrow. The principal amount was advanced to Mr Testrow in February 2023 and is repayable on the earlier of: 30 June 2027; within 6 months in the event of Mr Testrow's death or total and permanent disability; or prior to the amendment of the loan described below, within 3 months of Mr Testrow ceasing to be employed by the Emeco Group.

This loan was designed to incentivise Mr Testrow to retain his equity investment in the Company at current levels. The proceeds of the loan were used to discharge a third-party interest-bearing loan taken out by Mr Testrow to assist in funding personal tax liabilities arising from shares in the Company received by Mr Testrow under the management incentive plan (as approved by shareholders in 2017 at the time of the Company's recapitalisation).

To further incentivise Mr Testrow to remain with the Company, as announced on the ASX on 3 August 2023 and with effect from FY24, the terms of the loan to Mr Testrow were varied to provide that if Mr Testrow were to resign and his employment end before 30 June 2027:

- The loan will attract an interest rate of 12% per annum from the date the loan was drawn until the date the loan is repaid in full (loan previously interest-free in all circumstances); and
- The loan becomes due on the date Mr Testrow's employment ends (previously three months after Mr Testrow's employment ends).

As part of the extension of Mr Testrow's employment agreement announced to the ASX on 23 July 2026 and to implement Mr Testrow's employment arrangements beyond FY27, shareholder approval will be sought to extend the loan repayment date to 30 June 2031, subject to Mr Testrow remaining employed by the Emeco Group.

Further details regarding this loan and amounts paid during the year are set out in the notes to the financial statements.

11. Other transactions and balances with key management personnel and their related parties

Except for the loan and reimbursement arrangement with Mr Testrow described above, there are no other transactions and balances with key management personnel and their related parties.

Signed in accordance with a resolution of the directors.

Dated 19 August 2026 at Perth, Western Australia

Remuneration Report

Deloitte.

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The Board of Directors
Emeco Holdings Limited
Level 3, 133 Hasler Road
Osborne Park WA 6017

19 August 2026

Dear Board Members

Auditor's Independence Declaration to Emeco Holdings Limited

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

As lead audit partner for the audit of the financial report and review of the sustainability report of Emeco Holdings Limited for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report and review of the sustainability report; and
- any applicable code of professional conduct in relation to the audit or review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A T Richards

A T Richards
Partner
Chartered Accountants


Force
by Emeco
F12021


Emeco

Financial statements

The financial statements cover Emeco Holdings Limited ("the Company" or "the Parent") as a consolidated entity (referred to hereafter as "the Group") consisting of Emeco Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is the functional and presentation currency of the Company.

Emeco Holdings Limited is a public company limited by shares, incorporated, and domiciled in Australia. The Group is a for-profit entity.

The description of the nature of the Group's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2025.

The consolidated financial statements were authorised for issue by the Board of directors on 19 August 2026.

An accounting policy, critical accounting estimate, assumption, or judgement specific to a note is disclosed within the note itself.

Emeco Holdings Limited and its Controlled Entities

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	2026 $000	2025 $000
Revenue	2	792,836	785,354
Other income	3	4,361	3,424
Repairs and maintenance		(106,024)	(107,909)
Employee expenses	4	(67,155)	(72,283)
External mining and maintenance services		(218,283)	(198,045)
Cartage and fuel		(21,591)	(23,436)
Hired-in equipment and services		(52,267)	(42,823)
Depreciation and amortisation expense	4	(144,496)	(155,406)
Impairment of tangible assets	4	(1,077)	(969)
Other expenses	4	(55,965)	(55,690)
Finance income	4	3,684	2,435
Finance costs	4	(25,106)	(27,687)
Net foreign exchange gain	4	409	288
Profit before tax expense		109,326	107,253
Tax expense	5	(32,664)	(32,113)
Profit after tax		76,662	75,140
Other comprehensive loss			
Items that are or may be reclassified to profit and loss:			
Foreign currency translation differences (net of tax)		(409)	(281)
Total other comprehensive loss for the year		(409)	(281)
Total comprehensive income for the year		76,253	74,859
Profit attributable to:			
Owners of the Company		76,662	75,140
Profit for the year		76,662	75,140
Total comprehensive profit attributable to:			
Owners of the Company		76,253	74,859
Total comprehensive income for the year		76,253	74,859

	Note	2026 cents	2025 cents
Profit per share:			
Basic earnings per share	6	14.79	14.49
Diluted earnings per share	6	14.28	14.15

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Emeco Holdings Limited and its Controlled Entities

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 $000	2025 $000
Current assets			
Cash and cash equivalents	8	125,383	126,356
Trade and other receivables	9	122,173	138,669
Inventories and work in progress	11	46,726	42,384
Assets held for sale	12	19,958	8,479
Other current assets	9	47,628	30,946
Total current assets		361,868	346,834
Non-current assets			
Property, plant and equipment	15	814,305	803,924
Right-of-use assets	16	106,986	79,627
Intangible assets	17	8,122	8,202
Other financial assets	10	4,622	4,662
Other non-current assets	9	14,402	3,751
Total non-current assets		948,437	900,166
Total assets		1,310,305	1,247,000
Current liabilities			
Trade and other payables	13	151,333	130,972
Interest bearing liabilities	19	27,682	22,401
Provisions	14	13,202	11,533
Total current liabilities		192,217	164,906
Non-current liabilities			
Interest bearing liabilities	19	224,751	298,931
Provisions	14	472	437
Deferred tax liabilities	5	100,569	67,905
Total non-current liabilities		325,792	367,273
Total liabilities		518,009	532,179
Net assets		792,296	714,821
Equity			
Share capital	20	1,148,838	1,148,838
Reserves		(1,180)	(1,993)
Accumulated losses		(355,362)	(432,024)
Total equity attributable to equity holders of the Company		792,296	714,821

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Emeco Holdings Limited and its Controlled Entities

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Share capital $000	Share-based payment reserve $000	Foreign currency translation reserve $000	Treasury shares $000	Accumulated losses $000	Total equity $000
Balance at 1 July 2025	1,148,838	26,211	(239)	(27,965)	(432,024)	714,821
Total comprehensive income for the year						
Profit for the year	-	-	-	-	76,662	76,662
Other comprehensive income						
Foreign currency translation differences	-	-	(409)	-	-	(409)
Total comprehensive (loss)/income for the year	-	-	(409)	-	76,662	76,253
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Shares vested during the year	-	(622)	-	622	-	-
Share-based payment transactions	-	2,468	-	-	-	2,468
Shares purchased by trust	-	-	-	(1,246)	-	(1,246)
Total contributions by and distributions to owners	-	1,846	-	(624)	-	1,222
Balance at 30 June 2026	1,148,838	28,057	(648)	(28,589)	(355,362)	792,296

	Share capital $000	Share-based payment reserve $000	Foreign currency translation reserve $000	Treasury shares $000	Accumulated losses $000	Total equity $000
Balance at 1 July 2024	1,148,838	23,490	42	(27,965)	(507,164)	637,241
Total comprehensive income for the year						
Profit for the year	-	-	-	-	75,140	75,140
Other comprehensive income						
Foreign currency translation differences	-	-	(281)	-	-	(281)
Total comprehensive (loss)/income for the year	-	-	(281)	-	75,140	74,859
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Share-based payment transactions	-	2,721	-	-	-	2,721
Balance at 30 June 2025	1,148,838	26,211	(239)	(27,965)	(432,024)	714,821

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Emeco Holdings Limited and its Controlled Entities

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 $000	2025 $000
Cash flows from operating activities			
Cash receipts from customers		890,670	861,323
Cash paid to suppliers and employees		(593,765)	(582,622)
Cash generated from operations		296,905	278,701
Finance income received		3,725	2,435
Finance costs paid		(33,937)	(27,356)
Net cash generated from operating activities	7	266,693	253,780
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		35,504	12,598
Payment for property, plant and equipment		(188,672)	(161,782)
Net cash used in investing activities		(153,168)	(149,184)
Cash flows from financing activities			
Purchase of own shares		(1,246)	-
Proceeds from borrowings	19	310,000	70,000
Repayment of borrowings	19	(400,000)	(100,000)
Repayment of lease liabilities and other financing	19	(23,254)	(26,503)
Net cash used in financing activities		(114,500)	(56,503)
Net (decrease)/increase in cash and cash equivalents		(975)	48,093
Cash and cash equivalents at beginning of the year		126,356	78,265
Effects of exchange rate fluctuations on cash held		2	(2)
Cash and cash equivalents at the end of the financial year		125,383	126,356

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

A Results

The Group has two (2025: two) reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and were managed separately because they require different operational strategies for each geographic region. For each of the strategic business units, the Managing Director and board of directors review internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Rental

Provides a wide range of surface and underground earthmoving equipment solutions to customers in Australia. Additional technology platforms have been developed to enable customers to improve earthmoving efficiencies of their rental machines.

Workshops

Provides maintenance, equipment and component rebuild services to customers in Australia.

Major customers

For the year ended 30 June 2026, the Group had two major customers (2025: four), each contributing 10% or more of the Group's total revenue across the segments as indicated below:

	2026 $000	2025 $000
Rental	281,088	299,621
Workshops	40,264	76,494

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Operating segments

Information about reportable segments

	Emeco Rental $000	Force Workshops $000	Total $000
Year ended 30 June 2026			
Segment revenue	637,033	276,784	913,817
Intersegment revenue	-	(120,981)	(120,981)
Revenue from external customers	**637,033**	**155,803**	**792,836**
Other income	4,066	39	4,105
Restructuring costs	(911)	(197)	(1,108)
Segment earnings before interest, tax, depreciation and amortisation	**318,897**	**12,510**	**331,407**
Impairment of tangible assets	(1,074)	(3)	(1,077)
Depreciation and amortisation	(136,627)	(6,774)	(143,401)
Segment result (EBIT)	**181,196**	**5,733**	**186,929**
Corporate overheads (1)			(56,590)
EBIT			**130,339**
Net finance costs			(21,422)
Net foreign exchange gain			409
Net profit before tax			**109,326**
Tax expense			(32,664)
Net profit after tax			**76,662**
Total assets for reportable segments	**1,104,608**	**68,029**	**1,172,637**
Unallocated assets			137,668
Total Group assets			**1,310,305**
Net capital expenditure	**150,112**	**3,056**	**153,168**
Total liabilities for reportable segments	**195,425**	**40,354**	**235,779**
Unallocated liabilities			282,230
Total Group liabilities			**518,009**

(1) Corporate overheads also include $1,095,000 (FY25: $1,421,000) of depreciation and amortisation expense; $2,468,000 (FY25: $2,721,000) of share-based payments expense, $256,000 (FY25: $1,298,000) of other income; $214,000 (FY25: $1,031,000) of restructuring costs; $8,628,000 (FY25: $6,390,000) of ERP implementation costs and $3,540,000 defence cost (FY25: $nil).

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

	Emeco Rental $000	Force Workshops $000	Total $000
Year ended 30 June 2025			
Segment revenue	615,392	273,468	888,860
Intersegment revenue	-	(103,506)	(103,506)
Revenue from external customers	**615,392**	**169,962**	**785,354**
Other income	2,126	-	2,126
Restructuring costs	(1,637)	(592)	(2,229)
Segment earnings before interest, tax, depreciation and amortisation	**326,068**	**14,812**	**340,880**
Impairment of tangible assets	(969)	-	(969)
Depreciation and amortisation	(146,911)	(7,074)	(153,985)
Segment result (EBIT)	**178,188**	**7,738**	**185,926**
Corporate overheads			(53,709)
EBIT			**132,217**
Net finance costs			(25,252)
Net foreign exchange gain			288
Net profit before tax			**107,253**
Tax expense			(32,113)
Net profit after tax			**75,140**
Total assets for reportable segments	**970,204**	**87,675**	**1,057,879**
Unallocated assets			189,121
Total Group assets			**1,247,000**
Net capital expenditure	**145,666**	**3,518**	**149,184**
Total liabilities for reportable segments	**137,758**	**45,133**	**182,891**
Unallocated liabilities			349,288
Total Group liabilities			**532,179**

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

2. Revenue

The Group disaggregates revenue from its contracts with customers through two strategic business units, Rental and Workshops. This appropriately depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Group's fleet is commodity agnostic, and decision making relating to the sale of goods and services is driven by the economic factors affecting each business unit.

Revenue is disclosed based on the type of good or service provided.

Rental revenue

Revenue from the rental of open cut equipment is recognised in profit or loss over time based on the number of hours the machines operate each month. Revenue from the rental of underground equipment is recognised based on a monthly rate charged to a customer. The rental of each machine is considered to be a separate performance obligation with the transaction price generally set at a rate per hour or charge per month. Customers are billed monthly.

Maintenance services

Maintenance services relate to the provision of both major component and full equipment rebuilds for both internal and external customers and the provision of mobile workshop services and infrastructure to support both Emeco and external customers' equipment. Revenue from services rendered is recognised in profit or loss over time in proportion to the stage of completion of the transaction at the reporting date, and customers are billed monthly. The Group's obligation to repair or make-good faulty works under the standard warranty terms is recognised as a provision.

Certain contracts with customers include a variable element which is subject to the Group meeting either certain targets or key performance indicators. Variable consideration is recognised when it is highly probable that a significant reversal of revenue will not occur in a subsequent period.

	2026 $000	2025 $000
Emeco Rental:		
Rental - equipment hire revenue – over time	456,171	489,683
Rental – maintenance services revenue – over time	180,862	125,709
	637,033	615,392
Force Workshops:		
Maintenance services revenue – over time	155,803	169,962
	155,803	169,962
Total Revenue from services	**792,836**	**785,354**

3. Other income

	2026 $000	2025 $000
Net (loss)/profit on sale of rental non-current assets (1)	(39)	1,296
Sundry income	4,400	2,128
	4,361	3,424

(1) Included in net (loss)/profit on sale of rental non-current assets is the sale of rental equipment, including those non-current assets classified as held for sale. The gross proceeds from the external sale of this equipment was $5,253,000 (2025: $12,598,000).

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

4. Expenses

Profit before tax expense includes the following specific expenses:

	Note	2026 $000	2025 $000
Profit before income tax expense has been arrived at after charging the following items:			
Employee expenses:			
- salaries, wages and superannuation		64,687	69,562
- employee share plan expenses		2,468	2,721
		67,155	72,283
Depreciation of property, plant and equipment:			
- buildings		44	52
- leasehold improvements		394	368
- plant and equipment		121,250	133,143
- office equipment		690	592
- motor vehicles		2,155	1,553
- sundry plant		2,390	2,109
	15	126,923	137,817
Depreciation of right-of-use assets	16	17,491	17,037
Total depreciation		144,414	154,854
Amortisation of intangible assets:			
- contract intangible		78	519
- software		4	33
	17	82	552
Total depreciation and amortisation		144,496	155,406
Impairment of tangible assets:			
- PnP inventory		-	29
- PnP property, plant and equipment		-	35
- Rental property, plant and equipment		1,077	905
		1,077	969
Other expenses:			
- motor vehicles		3,560	3,002
- safety, staff training and amenities		3,404	4,023
- travel and subsistence expense		11,709	9,551
- workshop consumables, tooling and labour		3,957	5,200
- insurance		4,498	4,282
- property and office expenses		5,484	7,087
- telecommunications and IT		7,564	6,945
- restructuring and redundancies		1,322	3,260
- defence costs		3,540	-
- corporate, accounting and legal		3,330	3,382
- other expenses		7,597	8,958
		55,965	55,690

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	Note	2026 $000	2025 $000
Finance Income:			
- interest income		(3,684)	(2,435)
Finance income		(3,684)	(2,435)
Finance costs:			
- interest expense		23,316	26,074
- amortisation of debt establishment costs using effective interest rate		1,546	1,131
- other facility costs		244	482
Finance costs	19	25,106	27,687
Foreign exchange gain:			
- net unrealised foreign exchange gain		(409)	(288)
Net foreign exchange gain		(409)	(288)

Amortisation and impairment

An asset recognised is amortised to direct costs on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. An impairment loss is recognised in direct costs in the profit or loss, to the extent that the carrying amount of the contract asset exceeds the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates; less the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- discount on repurchased debt;
- the net gain or loss on financial assets at fair value through profit or loss;
- the foreign currency gain or loss on financial assets and liabilities;
- withholding tax;
- amortisation of the loan receivable from related party (refer to note 10 for further information);
- amortisation of borrowing costs capitalised using the effective interest method; and
- fees on supply chain financing facilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

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For the year ended 30 June 2026

5. Tax

(a) Income tax expense

	2026 $000	2025 $000
Tax expense		
Origination and reversal of temporary differences and tax losses in the current year	32,664	32,113
Tax expense	32,664	32,113

(b) Current and deferred tax expense/(benefit) recognised directly in equity

	2026 $000	2025 $000
Foreign exchange benefit	-	(44)
	-	(44)

(c) Numerical reconciliation of income tax expense and tax at the statutory rate

	2026 $000	2025 $000
Tax at the statutory rate of 30%	32,798	32,176
Increase/(decrease) in income tax expense due to:		
Derecognition of foreign tax losses	24	49
Other non-deductible expenses	91	155
Over provided in prior years	(249)	(267)
Tax expense	32,664	32,113

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For the year ended 30 June 2026

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2026 $000	**2025 $000**	**2026 $000**	**2025 $000**	**2026 $000**	**2025 $000**
Property, plant and equipment	-	-	(167,205)	(142,952)	(167,205)	(142,952)
Intangibles	8,100	3,359	(4)	-	8,096	3,359
Receivables	-	-	(1,192)	(931)	(1,192)	(931)
Right-of-use contracts	-	-	(425)	(3,924)	(425)	(3,924)
Other financial assets	-	-	-	(129)	-	(129)
Inventories	-	-	(6,247)	(3,807)	(6,247)	(3,807)
Payables	-	530	(61)	-	(61)	530
Borrowing costs	956	-	-	-	956	-
Business costs	809	3	-	-	809	3
Provisions	5,054	3,591	-	-	5,054	3,591
Employee share costs	1,604	863	-	-	1,604	863
Tax losses carried forward	58,042	75,492	-	-	58,042	75,492
Tax assets/(liabilities)	74,565	83,838	(175,134)	(151,743)	(100,569)	(67,905)
Set-off of tax	(74,565)	(85,481)	74,565	85,481	-	-
Net tax assets/(liabilities)	-	(1,643)	(100,569)	(66,262)	(100,569)	(67,905)

Movement in deferred tax balances

	Balance 1 July 2025 $000	**Recognised in profit or loss $000**	**Recognised directly in equity $000**	**Balance 30 June 2026 $000**
Property, plant and equipment	(142,952)	(24,253)	-	(167,205)
Intangible assets	3,359	4,737	-	8,096
Receivables	(931)	(261)	-	(1,192)
Right-of-use contracts	(3,924)	3,499	-	(425)
Other financial assets	(129)	129	-	-
Inventories	(3,807)	(2,440)	-	(6,247)
Payables	530	(591)	-	(61)
Business costs	3	806	-	809
Provisions	3,591	1,463	-	5,054
Employee share costs	863	741	-	1,604
Tax losses carried forward	75,492	(17,450)	-	58,042
Borrowing costs	-	956	-	956
	(67,905)	(32,664)	-	(100,569)

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For the year ended 30 June 2026

	Balance 1 July 2024 $000	Recognised in profit or loss $000	Recognised directly in equity $000	Balance 30 June 2025 $000
Property, plant and equipment	(125,429)	(17,523)	-	(142,952)
Intangible assets	614	2,745	-	3,359
Receivables	(790)	(141)	-	(931)
Right-of-use contracts	1,091	(5,015)	-	(3,924)
Other financial assets	(739)	610	-	(129)
Inventories	(2,139)	(1,668)	-	(3,807)
Payables	1,099	(613)	44	530
Business costs	186	(183)	-	3
Provisions	3,751	(160)	-	3,591
Employee share costs	321	542	-	863
Tax losses carried forward	86,244	(10,752)	-	75,492
	(35,791)	(32,158)	44	(67,905)

Unrecognised deferred tax assets

	2026 $000	2025 $000
The following deferred tax assets have not been brought to account as assets:		
Tax losses not brought to account	82,546	82,547

Unutilised tax losses are in Chile, Indonesia, the United Kingdom, United States and Europe and are not expected to be utilised by the Group.

Use of estimates and judgements

Recognition of tax losses

In accordance with the Group's accounting policies for deferred taxes, a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise these losses. This includes estimates and judgements about future profitability, capital structure and tax rates. Changes in these estimates and assumptions could impact on the amount and probability of unused tax losses and accordingly the recoverability of deferred tax assets. Operating profits have continued to be generated in the current period, with tax losses of $17,450,000 being utilised in the current year, taking the recognised losses to $58,042,000 as at 30 June 2026 (2025: $75,492,000 full recognition). The Group expects to fully utilise these Australian tax losses as the Group is expected to continue to trade profitably.

Income tax

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

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; or
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised and increased to the extent unrecognised tax losses are now considered probable.

(iii) Tax exposures

The Company and its wholly owned Australian resident entities have formed a tax consolidated group with effect from 16 December 2004 and are therefore taxed as a single entity from that date. The entities acquired during the period were added to the tax consolidated group on the date of acquisition. The head entity of the tax consolidated group is Emeco Holdings Limited.

(iv) Tax consolidation

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

This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred and does not tax effect transactions that have no tax consequences to the Group.

The same basis is used for tax allocation within the tax-consolidated group.

The Group has assessed the impact of the OECD Pillar Two tax reforms and concluded that it is not within the scope of the legislation. Accordingly, the amendments to AASB 112 relating to Pillar Two have no material impact on the Group's consolidated financial statements.

6. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the year ended 30 June 2026 was based on the profit attributable to ordinary shareholders of $76,662,000 (2025: $75,140,000) and a weighted average number of ordinary shares outstanding for the year ended 30 June 2026 of 518,375,000 (2025: 518,470,000).

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

Profit attributed to ordinary shares (basic)

	2026 $000	2025 $000
Profit for the year	76,662	75,140
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	518,375	518,375
Effect of vested employee share plans	-	95
Weighted average number of ordinary shares (basic) at 30 June	518,375	518,470
	cents	**cents**
Profit per share:		
Basic earnings per share	14.79	14.49

Diluted earnings per share

The calculation of diluted earnings per share for the year ended 30 June 2026 was based on the profit attributable to ordinary shareholders of $76,662,000 (2025: $75,140,000) and a weighted average number of ordinary shares outstanding (diluted) less any treasury shares during the financial year ended 30 June 2026 of 536,723,000 (2025: 531,006,000).

Profit attributed to ordinary shareholders (diluted)

	2026 $000	2025 $000
Profit for the year	76,662	75,140
Weighted average number of ordinary shares (diluted)		
Issued ordinary shares at 1 July	518,375	518,375
Effect of vested employee share plans	629	95
Effect of unvested employee share plans	17,719	12,536
Weighted average number of ordinary shares (diluted) at 30 June	536,723	531,006
	cents	**cents**
Profit per share:		
Diluted earnings per share	14.28	14.15

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. Shares have no par value.

In the event of a company's liquidation, ordinary shareholders rank behind all other creditors and are only entitled to any remaining proceeds after all secured, unsecured, and preferential creditors have been paid.

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

B. Cash Flow Information

7. Reconciliation of profit after income tax to net cash from operating activities

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position.

	Note	2026 $000	2025 $000
Net profit after tax		76,662	75,140
Add/(less) items classified as investing/financing activities:			
Loss/(profit) on sale of assets	3	39	(1,296)
Add/(less) non-cash items:			
Depreciation and amortisation	4	144,496	155,406
Amortisation of debt establishment costs using effective interest rate	4	1,546	1,131
Net foreign exchange gain	4	(409)	(288)
Impairment losses on tangible assets	4	1,077	969
Employee share plan expenses	4	2,468	2,721
Income tax expense	5	32,664	32,113
Net cash from operating activities before change in assets		258,543	265,896
Change in operating assets and liabilities, net of effects from purchase of controlled entity:			
Decrease in trade and other receivables		16,496	562
(Increase) in inventories		(4,342)	(749)
(Increase) in other assets		(27,333)	(11,977)
Increase/(decrease) in trade and other payables		21,625	(487)
Increase in provisions		1,704	535
Net cash generated from operating activities		266,693	253,780

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For the year ended 30 June 2026

C. Working Capital

8. Cash and cash equivalents

	2026 $000	2025 $000
Cash at bank	125,383	126,356

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

9. Trade and other receivables and other assets

	2026 $000	2025 $000
Current		
Trade and other receivables		
Trade receivables	75,907	108,649
Accrued revenue	35,700	19,409
Less: Allowance for expected credit losses	(145)	(86)
	111,462	127,972
Other receivables	10,400	10,435
Deferred employee benefits expense (1)	311	262
	122,173	138,669
Other current assets		
Prepayments	13,532	3,803
Contract assets (2)	34,096	27,143
	47,628	30,946
Other non-current assets		
Contract assets (2)	14,402	3,751
	14,402	3,751

(1) Deferred employee benefits expense relates to expected employee benefits to be recognised in the consolidated statement of profit or loss and other comprehensive income on a loan to a related party over the next 12 months. Refer to note 10 for further information.

(2) During the year, the Group amortised $33,101,000 (FY25: $28,728,000) of contract assets to the consolidated statement of profit or loss and other comprehensive income.

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For the year ended 30 June 2026

The fair value of trade and other receivables are estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual and interim reporting date.

The movement in the allowance for expected credit losses ("ECL") in respect of trade receivables and accrued revenue during the period was as follows:

	2026 $000	2025 $000
Opening loss allowance	86	308
Loss allowance/ (recovery) on trade receivables arising during the year	59	(222)
Closing loss allowance	145	86

The collective ECL is calculated using a combination of historical losses and economic conditions that are representative of those expected to exist during the life of the receivable. This is based on historical loss rates, ageing of debtors and economic factors that include commodity prices. The Group considers blue-chip and insured customers as low risk, and only assesses uninsured and underinsured customers that have breached their trading terms in the ECL calculation. The Group also reviews specific customer receivables deemed a higher recoverability risk.

The Group's exposure to credit risks, currency risks and impairment losses associated with trade and other receivables are disclosed in note 18.

Contract costs

Costs incurred to prepare assets for work on a specific contract (or specific anticipated contract) that can be separately identified, such as mobilisation of earthmoving equipment to customer sites and modifying assets to meet customer specifications, are recognised as a contract cost asset and amortised to direct costs over the term of the contract. The Group's policy is that an anticipated contract is a contract where it is, more likely than not, that the contract will be obtained. In determining the contract asset value, the following is taken into account:

- costs of obtaining a contract: the incremental costs of obtaining a contract with a customer are recognised as an asset if the entity expects to recover those costs; and
- costs of fulfilling a contract: costs that are required to be incurred in order to fulfil contract obligations that are not already costs accounted for under other accounting standards i.e. inventory or property, plant and equipment.

Costs that relate directly to a contract (or a specific anticipated contract) include any of the following:

- direct labour;
- direct materials;
- allocations of costs that relate directly to the contract or to contract activities;
- costs that are explicitly chargeable to the customer under the contract; and
- other costs that are incurred only because an entity entered into the contract.

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

10. Other financial assets

Loan issued to related party

At the Company's 2022 AGM held on 17 November 2022, the provision of a zero-interest loan by a subsidiary of the Company to Mr Testrow (Managing Director and Chief Executive Officer) was approved by Shareholders. The principal amount of the loan of $4,948,640.55 was drawn on 17 February 2023.

A non-monetary employee benefits expense of $310,870 (2025: $315,883) has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, reflecting the zero-interest component of the loan provided to Mr Testrow. The estimated FBT liability associated with the zero-interest component of the unsecured loan provided to Mr Testrow is $378,283 (2025: $280,125), resulting in a total zero-interest loan benefit of $689,153 (2025: $596,008). The non-monetary benefit and FBT liability for 2026 and 2025 have been determined using an effective interest rate of 7.77% (2025: 7.77%).

The current portion of the loan of $310,870 (2025: $261,847) is recorded in other receivables (refer to note 9), reflecting the expected employee benefits expense to be recognised over the next 12 months for the zero-interest loan provided to Mr Testrow, while the remaining loan receivable of $4,622,000 (2025: $4,662,000) is recorded as an "other financial asset" in the Statement of Financial Position.

On 3 August 2023, the Group announced material changes to Mr Testrow's terms of employment, resulting in the loan attracting an interest rate of 12% per annum, only in the event that Mr Testrow resigns and his employment ends before 30 June 2027 (calculated from the date the loan was drawn until repayment date). The loan is also repayable on the date Mr Testrow's employment ends (previously three months after employment ends).

On 23 July 2026, Emeco Holdings Limited agreed revised employment arrangements with Mr Testrow, extending his employment term from 30 June 2027 to 30 June 2031. As a result, the loan receivable is expected to be recovered beyond twelve months from the reporting date and is therefore classified as a non-current asset in the Consolidated Statement of Financial Position. Refer to note 30 for further information.

The loan was drawn to fund tax liabilities arising from the vesting of Management Incentive Plan ("MIP17") shares granted in March 2017. The intention of the zero-interest loan is to incentivise Mr Testrow to retain his equity investment in the Group.

Subsidiaries

Loans are made between wholly owned subsidiaries of the Group for corporate purposes.

Loans outstanding between the different wholly owned entities of the Company have no fixed date of repayment. Loans made between subsidiaries within a common taxable jurisdiction are interest free.

Ultimate parent entity

Emeco Holdings Limited is the ultimate parent entity of the Group.

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

11. Inventories and work in progress

	2026 $000	2025 $000
Work in progress - at cost	21,123	21,897
Consumables, equipment & spare parts - at cost	23,697	18,109
Total at cost	44,820	40,006
Equipment and parts - at net realisable value	1,906	2,378
Total inventory	46,726	42,384

Inventories consist of equipment and parts and are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

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12. Assets held for sale

During the year $57,264,000 (2025: $13,896,000) of assets were transferred from property, plant and equipment into assets held for sale.

As at 30 June 2026, assets held for sale totalled $19,958,000 (2025: $8,479,000). Level 3 fair value hierarchy has been used in determining the fair value with reference to an independent valuation utilising observable market valuations less estimated costs to sell. The Group is actively marketing these assets and they are expected to be disposed of within 12 months.

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is allocated to the assets and liabilities on a pro rata basis, except for inventories, financial assets, deferred tax assets, employee benefit assets which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

	2026 $000	2025 $000
Assets classified as held for sale		
Property, plant and equipment - surface equipment	14,351	5,951
Property, plant and equipment - underground equipment	5,607	2,528
Net assets classified as held for sale	19,958	8,479

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Impairment tests for cash generating units

The Group performed annual impairment testing at 30 June 2026, and considered the following factor as an indicator that its cash generating units (CGUs) may be impaired:

- The carrying amount of the net assets of the Group were more than its market capitalisation at 30 June 2026.

An impairment assessment was performed for the Group's key cash generating units (CGUs), being Rental and Workshops, with no impairment identified.

The Group has prepared value-in-use models for the purpose of impairment testing as at 30 June 2026, using a five-year discounted cash flow model for Rental and Workshops. Cash flows beyond the forecast period are extrapolated using a terminal value growth rate. Key areas of judgement relate to the forecast utilisation rates, pricing for the fleet, repairs and maintenance expenditure, other operating costs, capital expenditure and discount rates.

In performing its detailed impairment assessment, the Group has considered:

- long-term commodity prices and therefore the demand for earthmoving equipment and associated services;
- supply chain risks and therefore the impact on the ability of the Group to deliver its products and services;
- the likelihood of any continued disruption to the operations of the Group's customers, as a result of commodity price volatility and labour shortages; and
- the impact of decarbonisation and ESG related impacts on operations and asset life.

The post-tax discount rate used in the calculations is 9.2% (2025: 9.7%). The rate reflects the underlying cost of capital adjusted for market and asset specific risks. For the future cash flows of the CGUs, the revenue growth in the first year of the business reflects the best estimate for the coming year, taking account of macroeconomic, business model, strategic and market factors. Growth rates depend on the level of tendering activity and the Group's conversion rate and for subsequent years were based on Rental and Workshop's five-year outlook taking into account all available information at this current time and are subject to change over time.

The forecast cash flow estimates used in assessments for all CGUs were based on Board approved budgets for the year ending 30 June 2027. A revenue compound annual growth rate (CAGR) of 2.5% for Rental and Workshops was used from FY28 to FY31. The terminal value growth rate represents the long-term forecast consumer price index (CPI) of 2.5% (2025: 2.5%) for all CGUs. The recoverable amounts of all of the Group's CGUs continued to exceed their carrying amounts at 30 June 2026, with no reasonably possible changes to key assumptions giving rise to a risk of impairment in the Rental and Workshop CGUs.

During the period, assets classified as held for sale were impaired by $1,077,000 (FY25: $969,000) to their fair value less cost to sell based on market prices of similar equipment.

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13. Trade and other payables

	2026 $000	2025 $000
Current		
Trade payables	129,303	106,683
Interest accrual	814	7,822
Other payables and accruals	21,216	16,467
	151,333	130,972

The Group's exposure to currency and liquidity risk associated with trade and other payables is disclosed in note 18.

Trade and other payables are stated at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid at the reporting date.

To manage the cash flow conversion cycle on some goods and services procured by the Group, and to ensure that suppliers receive payment in a timely manner, the Group offers some suppliers supply chain financing. At 30 June 2026, the balance of the supply chain finance programmes was $44,482,000 (2025: $34,237,000). The supply chain financing programmes attract fees in the range of 1.15% - 2.04% of the transaction value and are repaid on 60-day terms.

The Group evaluates supplier arrangements against a number of indicators to assess if the payable continues to have the same characteristics of a trade payable or should be classified as borrowings.

These indicators include whether the payment terms exceed customary payment terms in the industry, the extent to which the rights and obligations (if any) under the contractual relationships attached to the original liability have been modified, and whether there are any additional credit enhancements arising from the supply chain financing arrangements.

At 30 June 2026, the Group has concluded the payables subject to supply chain financing arrangements did not meet all of the characteristics to be classified as borrowings and accordingly the balances remain in trade payables. Specifically, payment terms under supply chain financing are up to 60-day terms which are comparable to trade payables that are not part of a supplier financing arrangement of up to 60-day terms.

The Company has also entered into a deed of cross guarantee with certain subsidiaries as described in note 27. Under the terms of the deed, the Company has guaranteed the repayment of all current and future creditors in the event any of the entities party to the deed are wound up. Details of the consolidated financial position of the Company and subsidiaries party to the deed are set out in note 27.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

14. Provisions

	2026 $000	2025 $000
Current		
Employee benefits:		
- annual leave	10,012	8,804
- long service leave	3,190	2,729
	13,202	11,533
Non-current		
Employee benefits - long service leave	472	437
	472	437

Movement in provisions	2026 $000	2025 $000
Balance at 1 July	11,970	12,505
Arising during the year	10,228	10,746
Utilised	(8,524)	(11,281)
Balance at 30 June	13,674	11,970

Defined contribution superannuation funds

The Group makes contributions to defined contribution superannuation funds. The expense recognised for the year was $18,248,000 (2025: $16,843,000).

Wages and salaries, annual leave and personal leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating personal leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating personal leave is expensed to profit or loss when incurred.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on high quality corporate bonds at the reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

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Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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D. Fixed Assets

15. Property, plant and equipment

Set out below are the carrying amounts of property, plant and equipment recognised and movements for the period:

	$000							
	Land & buildings	**Leasehold improvements**	**Plant & equipment**	**CWIP[1]**	**Office equipment**	**Motor vehicles**	**Sundry plant**	**Total**
At cost at 30 June 2026	3,010	8,759	1,787,313	70,842	3,783	12,076	23,710	1,909,493
Accumulated depreciation at 30 June 2026	(1,594)	(6,117)	(1,059,448)	-	(2,580)	(8,013)	(17,436)	(1,095,188)
	1,416	2,642	727,865	70,842	1,203	4,063	6,274	814,305
At cost at 30 June 2025	3,010	8,336	1,702,992	60,172	3,267	11,222	21,267	1,810,266
Accumulated depreciation at 30 June 2025	(1,550)	(5,723)	(973,882)	-	(1,907)	(8,254)	(15,026)	(1,006,342)
	1,460	2,613	729,110	60,172	1,360	2,968	6,241	803,924

(1) CWIP-Capital work in progress

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2026 $000							
	Land & buildings	**Leasehold improvements**	**Plant & equipment**	**CWIP[1]**	**Office equipment**	**Motor vehicles**	**Sundry plant**	**Total**
Carrying amount at the beginning of the year	1,460	2,613	729,110	60,172	1,360	2,968	6,241	803,924
Additions [2]	-	423	10,175	177,764	533	3,250	2,423	194,568
Movement capital WIP	-	-	167,094	(167,094)	-	-	-	-
Depreciation	(44)	(394)	(121,250)	-	(690)	(2,155)	(2,390)	(126,923)
Movement from/(to) assets held for sale [3]	-	-	(57,264)	-	-	-	-	(57,264)
Carrying amount at the end of the year	1,416	2,642	727,865	70,842	1,203	4,063	6,274	814,305

(1) CWIP-Capital work in progress
(2) Additions to PPE for FY26 include $6,400,000 of assets received as consideration (non-cash) for the sale of assets and contracts.
(3) Assets held for sale for FY26 includes $30,200,000 sale and leaseback.

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Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2025 $000							
	Land & buildings	**Leasehold improvements**	**Plant & equipment**	**CWIP**(1)	**Office equipment**	**Motor vehicles**	**Sundry plant**	**Total**
Carrying amount at the beginning of the year	1,501	2,490	714,551	56,179	949	2,355	5,655	783,680
Additions (2)	11	491	12,102	154,295	1,003	1,360	2,695	171,957
Movement capital WIP	-	-	150,134	(150,302)	-	168	-	-
Depreciation	(52)	(368)	(133,143)	-	(592)	(1,553)	(2,109)	(137,817)
Category Transfers	-	-	(641)	-	-	641	-	-
Movement from/(to) assets held for sale	-	-	(13,893)	-	-	(3)	-	(13,896)
Carrying amount at the end of the year	1,460	2,613	729,110	60,172	1,360	2,968	6,241	803,924

(1) CWIP-Capital work in progress
(2) Additions to PPE for FY25 include $10,175,000 of assets received as consideration (non-cash) for the sale of assets and contracts.

Items of property, plant and equipment, excluding CWIP, are measured at cost, less accumulated depreciation and accumulated impairment losses. CWIP is measured at cost, less accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Cost includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major equipment components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure on major overhauls and refurbishments of equipment is capitalised in property, plant and equipment as it is incurred, where that expenditure is expected to provide future economic benefits.

The costs of the day-to-day servicing of property, plant and equipment and ongoing repairs and maintenance are expensed as incurred, with the exception of contract costs.

Contract costs are incurred to prepare assets for work on a specific contract (or specific anticipated contract) that can be separately identified, such as freight of earthmoving equipment to customer sites and modifying assets to meet customer specifications, are recognised as a contract asset and amortised to direct costs over the term of the contract.

Depreciation on buildings, leasehold improvements, furniture, fixtures and fittings, office equipment, motor vehicles and sundry plant is calculated on a straight-line basis. Depreciation on plant and equipment is calculated on a units of production method and charged on machine hours worked over their estimated useful life.

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The Group manages depreciation at an individual componentisation of asset level. Depreciation is calculated based on a standard machine hour usage basis. The estimated useful lives are as follows:

Buildings and leasehold improvements	15 years
Plant and equipment	3 – 15 years
Office equipment	3 – 10 years
Motor vehicles	5 years
Sundry plant	7 - 10 years

The Group's assets are subject to a fixed and floating charge under the terms of the Company's financing arrangements. Refer to note 19 for further details.

16. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and movements for the year:

As at 30 June 2026	**Buildings $000**	**Motor vehicles $000**	**Equipment $000**	**Total $000**
Opening balance as at 1 July 2025	46,677	18,291	71,572	136,540
Additions	2,034	7,360	39,333	48,727
Lease modifications	(886)	(74)	(2,479)	(3,439)
Lease retirements	(159)	(5,954)	(1,887)	(8,000)
Total cost	47,666	19,623	106,539	173,828
Accumulated depreciation	(24,597)	(8,892)	(33,353)	(66,842)
Total accumulated depreciation	(24,597)	(8,892)	(33,353)	(66,842)
Net carrying amount	23,069	10,731	73,186	106,986

As at 30 June 2025	**Buildings $000**	**Motor vehicles $000**	**Equipment $000**	**Total $000**
Opening balance as at 1 July 2024	48,277	16,735	71,731	136,743
Additions	1,773	6,028	15,465	23,266
Lease modifications	(899)	(3,536)	(2,836)	(7,271)
Lease retirements	(2,474)	(936)	(12,788)	(16,198)
Total cost	46,677	18,291	71,572	136,540
Accumulated depreciation	(19,310)	(10,186)	(27,417)	(56,913)
Total accumulated depreciation	(19,310)	(10,186)	(27,417)	(56,913)
Net carrying amount	27,367	8,105	44,155	79,627

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	2026 $000	2025 $000
Amounts recognised in profit and loss		
Depreciation expense of right-of-use assets	17,491	17,037
Interest expense on lease liabilities	4,180	4,435
Expense relating to short-term leases	1,101	4,135
Expense relating to leases of low-value assets	-	444

The Group's right-of-use assets relate to property, motor vehicles and heavy earth moving equipment.

The remaining average lease term is 3.5 years (2025: 4.46 years).

The corresponding lease liability analysis is presented in note 19.

17. Intangible assets

	2026 $000	2025 $000
Goodwill	8,005	8,005
	8,005	8,005
Contract intangible	3,737	3,737
Less: Accumulated amortisation	(3,664)	(3,587)
	73	150
Software - at cost	7,898	7,897
Less: Accumulated amortisation	(7,854)	(7,850)
	44	47
Total intangible assets	8,122	8,202

Goodwill and customer contracts

Goodwill of $8,005,000 was recognised on the acquisition of Matilda Equipment Holdings Pty Ltd (Matilda) in FY19 and represents the residual value of the purchase price of the company over the fair value of the identifiable assets and liabilities acquired. The goodwill is allocated to the Rental operating segment. Goodwill is measured at cost, less accumulated impairment losses.

On the acquisition of Borex Pty Ltd in FY22, a customer intangible was recognised. This represented the residual value of the purchase price of the company over the fair value of the identifiable assets and liabilities acquired. The customer intangible is being amortised over the determined life of the intangible.

Software

Software that is acquired and internally developed by the Group and has finite useful lives is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation and impairment of intangible assets

The amortisation charge and impairment of intangible assets are recognised in the following line item in the income statement:

	2026 $000	2025 $000
Amortisation expense		
- contract intangible	78	519
- software	4	33
Total expense for the year	82	552

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E. Risk

18. Financial risk management

Overview

The Group has exposure to the following risks from use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the audit and risk management committee (Committee), which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training, management standards and procedures, aims to develop a disciplined and constructive controlled environment in which all employees understand their roles and obligations.

The Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument or financial asset fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Exposure to credit risk

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

		Carrying amount	
		2026	**2025**
	Note	**$000**	**$000**
Cash and cash equivalents	8	125,383	126,356
Trade receivables	9	75,907	108,649
Accrued revenue	9	35,700	19,409
Other receivables	9	10,400	10,435
Other financial assets	10	4,622	4,662
		252,012	269,511

The carrying value of each of these items approximates fair value.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Group sets individual counterparty limits and where possible insures its income within Australia and generally operates on a 'cash for keys' policy for the sale of equipment and parts. The Group has internal review and authorisation procedures that are applied to new clients and in the ongoing strengthening of appropriate credit limits for existing customers.

Both insured and uninsured debtors are subject to the Group's credit policy. The Group's credit policy requires each new customer to be analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer according to the external rating and are approved by the appropriate management level dependent on the size of the limit. In the instance that a customer fails to meet the Group's creditworthiness and the Group is unable to secure credit insurance, future transactions with the customer will only be assessed on a case-by-case basis and where possible, prepayment or appropriate security such as a bank guarantee or letter of credit will be requested.

Where commercially available, the Group aims to insure the majority of customers including blue-chip customers or subsidiaries of blue-chip companies. Blue-chip customers are determined as those customers who have a market capitalisation of greater than $1,000,000,000 (2025: $1,000,000,000). The Group held insurance for the entire financial year ended 30 June 2026.

	Gross 2026 $000	**Impairment 2026 $000**	**Gross 2025 $000**	**Impairment 2025 $000**
Not past due	73,046	-	100,908	-
Past due 0-30 days	1,474	-	6,763	-
Past due 31-60 days	-	-	189	-
Past due 61 days	1,387	-	789	-
	75,907	-	108,649	-

Using the expected credit loss model (ECL), the Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To effectively apply the ECL, the Group has categorised its trade receivables as follows:

- blue-chip customers: defined as having a market capitalisation of greater than $1,000,000,000. The Group aims to insure this category;
- insured customers: those that are trading within terms and their trade receivable exposure is under the insured limit;
- underinsured: those that have not been granted sufficient credit limits by the insurer to cover sales within credit terms;
- uninsured customers: all other customers that are not recognised in the above category.

The Group's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amounts 2026 $000	**Carrying amounts 2025 $000**
Blue-chip (including subsidiaries)	39,938	54,979
Insured	32,661	51,900
Underinsured	2,845	126
Uninsured	463	1,644
	75,907	108,649

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The Group considers blue-chip and insured customers as low risk. The Group only assesses uninsured customers and underinsured customers in an ECL calculation.

The Group uses a combination of historical losses recognised for receivables in the above classifications and takes a view on the economic conditions that are representative of those expected to exist during the life of the receivable. This is based on the historical loss rates, ageing of debtors and economic factors that include commodity prices.

Economic data

It is anticipated that a movement in key economic data i.e. commodity prices, impacts the expected credit loss as it may drive the way the Group's customers run their operations or achieve profitability and cash flows to pay their receivables. As part of this assessment, the Group has considered the potential impact of commodity demand and prices.

The Group determined potential scenarios primarily driven by changes in commodity prices, which have been weighted by probability to determine the expected credit loss provision.

Loss history

The Group utilises a three-year loss history from FY24 onwards for this assessment.

Based on the factors outlined above, the Group has calculated an expected credit loss of $145,000 based on historical loss trends and economic factors (2025: $86,000). During the period, no allowances for specific customers were identified as doubtful and subsequently nothing was written off by the Group (2025: nil).

The movement in the credit loss allowance in respect of trade receivables during the year was as follows:

	Impairment 2026 $000	Impairment 2025 $000
Opening loss allowance as at 1 July	86	308
Loss allowance/(recovery) on trade receivables arising during the year	59	(222)
Loss allowance as at 30 June	145	86

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment behaviour and extensive analysis of the underlying customers' credit ratings.

Credit-impaired financial assets

The Group will assess if a financial asset is impaired when amounts are past due by more than 120 days. An allowance for impairment will be recognised unless the Group has reasonable and supportable information that an impairment is not required to be recognised.

Cash

The Group held cash and cash equivalents of $125,383,000 at 30 June 2026 (2025: $126,356,000), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties which are rated greater than AA-.

Collateral

Collateral is held for customers that are assessed to be a higher risk. At 30 June 2026 the Group held nil bank guarantees (2025: nil) and nil of advance payments from customers (2025: nil).

Guarantees

Financial guarantees are generally only provided to wholly owned subsidiaries or when entering into a premise rental agreement or asset lease liability. Details of outstanding guarantees are provided in note 22. At 30 June 2026, $3,011,000 guarantees were outstanding (2025: $2,886,000).

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Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors working capital limits and employs maintenance planning and life cycle costing models to price its rental contracts. These processes assist it in monitoring cash flow requirements and optimising cash returns in its operations. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Notes

The Group had issued secured fixed interest notes with a principal value of $250,000,000 that were scheduled to mature on 10 July 2026. The notes carried a nominal fixed interest rate of 6.25%. During the year, the Group refinanced its long-term debt facilities through the establishment of a new $355,000,000 Revolving Syndicated Facility ("RSF"), which was utilised on 19 January 2026 to redeem the notes in full. Refer to note 19 for further details.

Revolving Credit Facility

The Group had a Revolving Credit Facility (RCF) of $100,000,000, which matured in December 2025, which had two sub facilities consisting of a Loan Note Agreement Facility (LNA) of $95,000,000 (30 June 2025: $95,000,000) and a Bank Guarantee Facility of $5,000,000 (30 June 2025: $5,000,000). The tenor of the facility being three years, with an option to extend for a further two years to December 2027 at the Group's election, conditional upon covenants being met and refinancing conditions related to the AUD Notes. The bank guarantee facility attracted a fee of up to 1.57% on the unutilised portion of the facility, and a fee of 3.5% on the outstanding balance of guarantees on issue. The nominal interest rate on the LNA was equal to the aggregate of the bank bill swap rate (BBSY) plus a margin of between 2.75% and 3.75% dependent on the portion of the facility utilised and credit agency ratings (2.75% if less than 25% drawn and credit agency ratings of Ba2/BB or higher; 3.75% if greater than or equal to 25% drawn and credit agency ratings lower than B1/B+).

The facilities required the Group to maintain a collateral coverage ratio greater than 2.0x and a fixed charge coverage ratio greater than 1.5x. The Group remained compliant with these financial covenants throughout the period that the facility was in place.

The RCF expired in December 2025 and was replaced by the Group's new $355,000,000 Revolving Syndicated Facility, which matures in December 2030.

Revolving syndicated facility

In December 2025, the Group entered into a $355,000,000 Revolving Syndicated Facility (RSF), replacing its previous $100,000,000 Revolving Credit Facility, which expired in December 2025. The RSF comprises a cash facility of $350,000,000 and a bank guarantee facility of $5,000,000 and matures in December 2030. The nominal interest rate on drawings under the RSF is equal to the aggregate of the bank bill swap rate (BBSY) plus an applicable margin. The margin is determined in accordance with the Group's leverage ratio as set out in the most recent compliance certificate and ranges from 2.20% to 2.35% per annum. An initial margin of 2.25% per annum applies until the first compliance certificate is provided. The RSF is subject to financial covenants including maintaining certain interest cover and leverage ratios which are tested on a bi-annual basis. The Group monitors covenant compliance on an ongoing basis and was in compliance with all covenant requirements throughout the reporting period and at reporting date.

At 30 June 2026, $160,000,000 was drawn under the cash facility, providing available undrawn liquidity of $190,000,000. The RSF was established as part of the Group's refinancing of its long-term debt facilities and was utilised on 19 January 2026 to redeem the Group's $250,000,000 AUD Notes.

Others

The Group has a facility agreement comprising a credit card facility with a limit of $200,000 which is secured via a cash cover account.

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To manage the cash flow conversion cycle on goods and services procured by the Group, and to ensure that suppliers receive payment in a timely manner, the Group offers some suppliers supply chain financing; refer to note 13. The Group's supply chain financing facilities totalled $44,482,000 as at 30 June 2026 (2025: $34,237,000).

The Group has lease facilities totalling $89,128,000 (2025: $68,958,000) which have various maturities up to June 2033.

The following gross outflows represent the contractual, undiscounted cash flow maturities of the Group's financial liabilities (including estimated interest payments):

30 June 2026	Carrying amount $000	Contractual cash flows $000	6 months or less $000	6-12 months $000	1-2 years $000	2-5 years $000	More than 5 years $000
Revolving Syndicated Facility	160,000	170,341	10,341	-	-	160,000	-
Lease liabilities	89,128	98,884	14,828	14,000	22,855	42,543	4,658
Trade and other payables (1)	150,519	150,519	150,519	-	-	-	-
Financial liabilities	4,115	4,115	4,115	-	-	-	-
Total	403,762	423,859	179,803	14,000	22,855	202,543	4,658

30 June 2025	Carrying amount $000	Contractual cash flows $000	6 months or less $000	6-12 months $000	1-2 years $000	2-5 years $000	More than 5 years $000
Secured note	250,000	265,496	7,748	7,748	250,000	-	-
Lease liabilities	68,958	80,764	12,524	11,501	20,869	28,084	7,786
Trade and other payables (1)	123,150	123,150	123,150	-	-	-	-
Financial liabilities	3,283	1,925	665	641	619	-	-
Total	445,391	471,335	144,087	19,890	271,488	28,084	7,786

(1) Trade and other payables excludes deferred revenue and interest accruals. Estimated interest payments are included within "secured notes issued and revolving syndicated facility". Refer to note 19 for further information.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The functional currency of the Company is the Australian dollar (AUD). The Group is not exposed to any material currency risk.

Interest rate risk

The Group manages its exposure to interest rate risk arising from borrowings through a mix of fixed and variable rate debt. The objective is to reduce variability in finance costs while maintaining an appropriate level of funding flexibility.

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Profile

At the end of the reporting period, the interest rate profile of the Group's interest bearing financial instruments was:

	Note	2026 $000	2025 $000
Variable rate instruments:			
Cash at bank	8	125,383	126,356
		125,383	126,356
Fixed rate instruments:			
Interest bearing liabilities (RSF)	19	(160,000)	-
Interest bearing liabilities (AUD notes)	19	-	(250,000)
Interest bearing finance leases	19	(89,128)	(68,958)
		(249,128)	(318,958)

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Statement of Financial Position, are as follows:

		2026		2025	
	Note	Carrying amount $000	Fair value $000	Carrying amount $000	Fair value $000
Assets carried at amortised cost					
Cash and cash equivalents	8	125,383	125,383	126,356	126,356
Trade and other receivables	9	122,173	122,173	138,669	138,669
Other financial assets	10	4,622	4,622	4,662	4,662
		252,178	252,178	269,687	269,687
Liabilities carried at amortised cost					
Secured notes issued	19	-	-	(250,000)	(250,000)
Revolving syndicated facility	19	(160,000)	(160,000)	-	-
Lease liabilities	19	(89,128)	(98,884)	(68,958)	(80,764)
Trade and other payables	13	(151,333)	(151,333)	(130,972)	(130,972)
		(400,461)	(410,217)	(449,930)	(461,736)

To comply with the provisions of AASB 13 *Fair Value Measurement*, the Group incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements.

Capital management

Underpinning Emeco's strategic framework is consistent value creation for shareholders. Central to this is the continual evaluation of the Company's capital structure to ensure it is optimised to deliver value to shareholders. The board's policy is to maintain diversified, long-term sources of funding to maintain investor, creditor and market confidence and to support the future growth of the business.

Historically, the board maintained a balance between higher returns possible with higher levels of borrowings and the security afforded by a sound capital position. However, given current market conditions, the board seeks to increase levels of cash held to maintain a strong capital position.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

The Company's primary return metric is return on capital (ROC), which the Group defines as earnings before interest and tax (EBIT) divided by average invested capital, which is defined as the average over the year of equity, plus interest bearing liabilities, less cash and intangibles. The Group's ROC for the year was 14.4% (2025: 14.4%).

The Group's return on invested capital at the end of the reporting period was as follows:

	2026 $000	2025 $000
EBIT	130,339	132,217
Average invested capital [(1)]	906,411	917,152
EBIT return on capital at 30 June	14.4%	14.4%

(1) Average invested capital is average equity, plus interest bearing liabilities, less cash and intangibles.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

F. Debt and Equity

19. Interest bearing liabilities

	2026 $000	2025 $000
Current		
Amortised cost		
Lease liabilities	24,170	19,426
Other financing	2,222	1,758
Financial liability (1)	1,290	1,217
	27,682	22,401
Non-current		
Amortised cost		
AUD Notes - secured	-	250,000
Revolving Syndicated Facility	160,000	-
Debt raising costs (2)	(3,032)	(1,209)
Lease liabilities	64,958	49,532
Financial liability (1)	2,825	608
	224,751	298,931

(1) A current financial liability of $1,290,000 (2025: $1,217,000) and non-current financial liability of $2,825,000 (2025: $608,000) was recognised, relating to the sale and leaseback of equipment.

(2) Carried at amortised cost. The movement from prior year is due to amortisation recorded in the Statement of Profit or Loss and Other Comprehensive Income for the year, as well as new additional debt raising costs incurred.

Secured notes issued

On 2 July 2021, the Group successfully completed the issuance of $250,000,000 in notes in the AMTN market (AUD Notes). The notes had a fixed coupon of 6.25%, payable semi-annually, and had a maturity date of 10 July 2026.

The AUD Notes included restrictions on issuing additional debt if leverage (net debt divided by operating EBITDA) was greater than 1.75x and shareholder distributions if leverage was greater than 2.0x. The notes included a call premium of 1.5625% which was payable on the notes if the notes were redeemed prior to 10 July 2025. No call premium was payable after this date. There were no restrictions on capital expenditure in the AUD notes. The effective interest rate of those notes was 6.76%, which was inclusive of the capitalised borrowing costs and annual coupon. In December 2025, the Group completed the refinancing of its long-term debt facilities through the establishment of a new $355,000,000 Revolving Syndicated Facility. The facility was utilised on 19 January 2026 to redeem the AUD Notes in full.

Emeco Holdings Limited and its Controlled Entities

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Revolving Syndicated Facility

The Group's principal debt facility at 30 June 2026 is a $355,000,000 Revolving Syndicated Facility ("RSF"), comprising of a revolving cash facility of $350,000,000 and a bank guarantee facility of $5,000,000. The RSF matures in December 2030. Interest on drawings under the RSF is based on BBSY plus an applicable margin determined by reference to the Group's leverage ratio. The RSF is subject to financial covenants requiring an interest cover ratio of not less than 2.75:1 and a leverage ratio of less than 2.75:1. The Group was in compliance with all covenant requirements throughout the reporting period and at 30 June 2026. At 30 June 2026, borrowings under the RSF totalled $160,000,000 (2025: nil), with undrawn committed facilities of $190,000,000 available to the Group.

Working capital facilities

The Group has a credit card facility with a limit of $200,000 (2025: $200,000). The facility is secured via a cash cover account.

Lease liabilities

At 30 June 2026, the Group held lease facilities totalling $89,128,000 (2025: $68,958,000) which have various maturities up to June 2033. Lease terms are negotiated on an individual basis and include a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Lease liabilities of the Group are payable as follows:

Lease liabilities	**2026 $000**	**2025 $000**
Opening balance as at 1 July	68,958	76,349
New leases	40,778	15,236
Interest expense	4,180	4,435
Principal repayments	(23,822)	(25,283)
Lease modification	(966)	(1,779)
Balance at 30 June	89,128	68,958
Current	24,170	19,426
Non-current	64,958	49,532
	89,128	68,958

The Group's lease liabilities are secured by the leased assets of $106,986,000 (2025: $79,627,000). In the event of default, the leased assets revert to the lessor.

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Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are those for which cash flows were or will be classified in the Group's consolidated statement of cash flows. The following table details cash and non-cash movements in the Group's liabilities arising from financing activities:

	1 July 2025 $000	Financing cash flows $000	Amortisation expense $000	Net debt acquired/ (retired) $000	30 June 2026 $000
AUD notes	250,000	(250,000)	-	-	-
Loan note agreement	-	-	-	-	-
Revolving Syndicated Facility	-	160,000	-	-	160,000
Lease liabilities	68,958	(19,642)	-	39,812	89,128
Debt raising costs	(1,209)	-	1,546	(3,369)	(3,032)
Financial liabilities	1,825	(1,370)	-	3,660	4,115
Other financing	1,758	(2,242)	-	3,952	3,468
Purchase of shares	-	(1,246)	-	-	(1,246)
	321,332	(114,500)	1,546	44,055	252,433

	1 July 2024 $000	Financing cash flows $000	Amortisation expense $000	Net debt acquired/ (retired) $000	30 June 2025 $000
AUD notes	250,000	-	-	-	250,000
Loan note agreement	30,000	(30,000)	-	-	-
Lease liabilities	76,349	(20,848)	-	13,457	68,958
Debt raising costs	(2,340)	-	1,131	-	(1,209)
Financial liabilities	3,042	(1,217)	-	-	1,825
Other financing	1,685	(4,438)	-	4,511	1,758
	358,736	(56,503)	1,131	17,968	321,332

Emeco Holdings Limited and its Controlled Entities

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For the year ended 30 June 2026

Financing arrangements

The Group has the ability to access the following lines of credit:

2026	Available facility $000	Facility utilised at reporting date $000	Facility not utilised at reporting date $000
Revolving Syndicated Facility	350,000	160,000	190,000
Bank guarantee facility	5,000	3,011	1,989
Lease liabilities	89,128	89,128	-
	444,128	252,139	191,989

2025	Available facility $000	Facility utilised at reporting date $000	Facility not utilised at reporting date $000
AUD notes (1)	250,000	250,000	-
Loan note agreement (2)	95,000	-	95,000
Bank guarantee facility (2)	5,000	2,886	2,114
Lease liabilities	68,958	68,958	-
	418,958	321,844	97,114

(1) The facility of $250,000,000 was fully drawn at 30 June 2025.

(2) The Revolving Credit Facility had a limit of $100,000,000. The Revolving Credit Facility consisted of the Loan note agreement of $95,000,000 and bank guarantee of $5,000,000. The facility matured during the financial year and was subsequently replaced by a Revolving Syndicated Facility.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

20. Equity - issued capital and reserves

	2026 $000	2025 $000
Share capital		
518,374,757 (2025: 518,374,757) ordinary shares, fully paid	1,224,725	1,224,725
Acquisition reserve	(75,887)	(75,887)
	1,148,838	1,148,838

Terms and conditions

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. Shares have no par value.

In the event of a company's liquidation, ordinary shareholders rank behind all other creditors and are only entitled to any remaining proceeds after all secured, unsecured, and preferential creditors have been paid.

Movements in ordinary shares

Details	Date	Shares	$000
Balance	1 July 2025	518,374,757	1,224,725
Balance	**30 June 2026**	**518,374,757**	**1,224,725**
Less: Treasury shares		(3,256,641)	
Issued capital		**515,118,116**	

During the year ending 30 June 2026, Emeco did not complete any on-market share buy-back except purchase of 1,007,328 treasury shares at an average share price of $1.24 totalling $1,246,000 (30 June 2025: nil shares were purchased).

Treasury shares

The treasury shares comprise of shares purchased on-market to satisfy the vesting of shares and rights under the employee share plans. Rights that are forfeited under the Company's employee share plans due to employees not meeting the service vesting requirement will remain in the reserve. As at 30 June 2026, the Company held 3,256,641 treasury shares (2025: 3,885,405), in satisfaction of the employee share plans.

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

Share-based payment reserve

The share-based payment reserve comprises the expenses incurred from the issue of the Company's securities under its employee share/option plans.

Under the Long Term Incentives ("LTI") plans, Rights are issued based on the performance of the executive and the Company over a three-year period, with one-third of the maximum LTI entitlement being tested each year. Issued Rights vest at the end of the three-year performance period. Current LTI awards for the Managing Director & Chief Executive Officer ("MD") have a one-year performance period. These awards will vest upon release of the corresponding periods results or upon cessation of employment, whichever occurs first. All MD awards will be equity-settled unless shareholder approval is not granted, in which case awards will be paid in cash. If Emeco terminates the executive's employment for misconduct or other breach of the executive's employment contract, the Board may lapse some or all of the Rights issued to the executive. Rights issued under the LTI will otherwise vest.

The fair value of Rights issued is measured using either the Monte Carlo or the Black Scholes pricing models. The grant date in respect of the LTI Plans, for all eligible employees excluding the MD, was the day the plan was approved by the Board. Any issue of awards to the MD under the LTI plans are subject to shareholder approval. With respect to the MD and upon approval by the shareholders, the fair value of the Rights will be remeasured at the date of the shareholder meeting (being the grant date) at which point they will be treated consistently with other employees. The fair value of Rights granted is expensed over the performance periods from grant date to vesting date based on the maximum LTI available in each year.

At the completion of the annual testing, when the final number of Rights are approved with respect to the specific financial year, the expense is adjusted in the year of approval to align with the actual Rights approved, to the extent that the expense relates to non-market performance conditions. Market conditions are not adjusted for because these are inherent in the initial valuation.

In the event of death, total and permanent disability, retrenchment or retirement of the participant, Rights granted under the Management Incentive Plan ("MIP") may vest on an accelerated basis. Rights granted under the MIP will lapse if the executive ceases employment for any other reason.

Dividends

For the year ended 30 June 2026, no dividend was declared (30 June 2025: $nil).

Franking Account

	The Company	
	2026	**2025**
	$000	**$000**
Dividend franking account		
30% franking credits available to shareholders of Emeco Holdings Limited for subsequent financial years	72,914	72,914

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For the year ended 30 June 2026

The above available amounts are based on the balance of the dividend franking account at year end adjusted for:

(a) franking credits that will arise from the payment of current tax liabilities and recovery of current tax receivables;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the year end;

(c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year end;

(d) franking credits that the entity may be prevented from distributing in subsequent years; and

(e) franking credits acquired through business combinations.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the Company as the head entity in the Australian tax consolidated group has also assumed the benefit of $72,914,000 (2025: $72,914,000) franking credits.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

G. Unrecognised Items

21. Commitments

(a) Short-term and low value leases

	2026 $000	2025 $000
Future non-cancellable short-term and low-value leases not provided for in the financial statements and payable:		
Less than one year	563	984
	563	984

Short-term and low value lease expenditure for FY26 and FY25 is disclosed in note 16.

(b) Capital commitments

The Group has nil commitments arising subsequent to 30 June 2026 for purchases of fixed assets (2025: nil).

22. Contingent liabilities

Guarantees

The Group has provided bank guarantees in the amount of $3,011,000 (2025: $2,886,000) in relation to obligations under operating leases and rental premises.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

H. Other Information / Group Structure

23. Controlled entities

	Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
Parent entity			
Emeco Holdings Limited			
Controlled entities			
Pacific Custodians Pty Ltd as trustee for Emeco Employee Share Ownership Plan Trust	Australia	-	-
Emeco Pty Limited	Australia	100	100
Emeco International Pty Limited	Australia	100	100
EHL Corporate Pty Ltd	Australia	100	100
Emeco Parts Pty Ltd	Australia	100	100
Emeco Finance Pty Ltd	Australia	100	100
Andy's Earthmovers (Asia Pacific) Pty Ltd	Australia	100	100
Orionstone Holdings Pty Ltd	Australia	100	100
Orionstone Pty Ltd	Australia	100	100
Ironstone Group Pty Ltd	Australia	100	100
Orion (WA) Pty Ltd	Australia	100	100
RPO Australia Pty Ltd	Australia	100	100
Force Equipment Pty Ltd	Australia	100	100
Matilda Equipment Holdings Pty Ltd	Australia	100	100
Matilda Equipment Pty Ltd	Australia	100	100
Pit N Portal Mining Services Pty Ltd	Australia	100	100
Emeco Underground Pty Ltd	Australia	100	100
Emeco Equipment USA LLC	USA	100	100
Emeco (UK) Limited	United Kingdom	100	100
Emeco International Europe BV	Netherlands	100	100
Emeco Holdings South America SpA	Chile	100	100
Enduro SpA	Chile	100	100
Emeco Europe BV	Netherlands	100	100
Emeco BV	Netherlands	100	100
PT Prima Traktor IndoNusa	Indonesia	100	100

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

24. Compensation of key personnel

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Non-executive directors	
Ian Macliver	
Peter Frank	
James Walker III	
Shaun Treacy	(Appointed: 1 October 2025)
James Scott	(Appointed: 18 May 2026)
Sarah Adam-Gedge	(Resigned: 20 November 2025)
Executive directors	
Ian Testrow	Managing Director & Chief Executive Officer

Other executives	**Position**
Theresa Mlikota	Chief Financial Officer

Key management personnel compensation

The key management personnel compensation is as follows:

In AUD	2026 $	2025 $
Short-term employee benefits	3,613,337	4,020,290
Other long-term benefits	46,922	50,830
Other non-monetary benefits	689,153	596,008
Post-employment benefits	130,368	119,121
Equity compensation benefits	1,855,878	2,062,979
	6,335,658	6,849,228

Remuneration of key management personnel by the Group

The compensation disclosed above represents an allocation of the key management personnel's compensation from the Group in relation to their services rendered to the Company.

Individual directors and executives compensation disclosures

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 and 2M.6.04 are provided in the remuneration report.

Apart from the Managing Director & Chief Executive Officer's employment agreement entered into subsequent to year end, as disclosed in note 30 and in the Remuneration Report, no director has entered into a material contract with the Company or the Group since the end of the previous financial year, and there were no material contracts involving directors' interests existing at year end.

Equity Instruments

Rights over equity instruments granted as compensation under management incentive plan (MIP)

The Company has a management incentive plan in which rights to shares have been granted to certain employees of the Company. Rights awarded under the MIP will vest at the end of the applicable vesting period, subject to the employee remaining employed by the Company. Rights that do not vest will lapse.

Rights over equity instruments granted as compensation under long-term incentive plan (LTI)

The Company has a retention incentive plan that rewards executives for their contribution to the achievement of certain KPIs over a three-year period. KPIs are reviewed annually, but achievement is assessed over a three-year period with one third of the minimum entitlement being tested each year.

Assessing achievements annually also ensures that executives are rewarded for their performance in each year over the three-year period. By assessing outcomes in this manner, consistent high performance over each year within the three-year performance period is required in order to achieve maximum award. Awards under the LTI plan are made in the form of Rights.

Other key management personnel transactions

Key management persons, or their related parties, hold positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. There were no transactions, other than as disclosed in note 10, between the Group and these related entities during the year (FY25: nil).

25. Share-based payments

During the year the Company issued Rights to key management personnel and senior employees of the Group under its employee incentive plans.

Vested Plans

Vested Rights by Plan	Number of instruments	Vesting Conditions	Contractual life of rights/ performance share rights
LTI Plan			
FY21 LTI Rights	158,360	3 years' service	3 years
FY22 LTI Rights	61,283	2 years' service	2 years
FY23 LTI Rights	244,260	1 year service	1 year
MLTI Plan			
FY24 MLTI Rights	164,861	2 years' service	2 years
CEO LTI Plan			
FY24 CEO LTI Rights	-	4 years' service	4 years
FY25 CEO LTI Rights	-	3 years' service	3 years
	628,764		

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For the year ended 30 June 2026

Unvested Plans

Unvested Rights by Plan	Number of instruments	Vesting Conditions	Contractual life of rights/ performance share rights
LTI Plan			
FY22 LTI Rights	699,401	3 years' service	3 years
FY23 LTI Rights	1,415,891	3 years' service	3 years
MLTI Plan			
FY24 MLTI Rights	2,121,121	3 years' service	3 years
FY25 MLTI Rights	2,957,416	3 years' service	3 years
FY26 MLTI Rights	3,605,158	3 years' service	3 years
CEO LTI Plan			
FY24 CEO LTI Rights	2,307,693	4 years' service	4 years
FY25 CEO LTI Rights	2,405,770	3 years' service	3 years
FY26 CEO LTI Rights	2,504,408	3 years' service	3 years
CEO STI Plan			
FY25 CEO STI Rights	330,994		
	18,347,852		

The movements of Rights on issue during the year were as follows:

	Number of rights/ performance share rights 2026	Number of rights/ performance share rights 2025
Outstanding at 1 July	12,536,169	7,895,055
Granted during the year	7,418,607	5,763,144
Exercised during the year	(628,764)	(146,088)
Forfeited during the year	(978,160)	(975,942)
Outstanding at 30 June	18,347,852	12,536,169

Under the various LTI plans, certain executives are granted rights (Rights) to receive fully paid ordinary shares (Shares) in the Company, the award and vesting of which is subject to varying performance and or service conditions. These conditions reward management to the extent the Group's achievement judged against the criteria are met. No amounts are paid or payable by the recipient of the Rights. Rights may be exercised at any time from the date of vesting to the date of their expiry.

The fair value of Rights granted during the year is measured using the Black Scholes model resulting in a fair value of $0.75 (FY25: $0.58). The Black Scholes model for non-market conditions, requires inputs including the risk-free rate, volatility and dividend yield. The fair value of Rights with market-based conditions is determined using a Monte Carlo simulation model. The risk-free rate was determined by reference to the Reserve Bank of Australia's government bond rate. Expected volatility was derived from historical share price movements over a period similar to the life of the Rights granted, and dividend yield is reflective of the Company's share price at year end and historical dividends paid.

The significant inputs into the valuation models for the rights granted during the year were:

	2026	2025
Weighted average share price	$0.98	$0.79
Expected volatility	35%	30%
Expected life	2-3 years	2-3 years
Annual risk-free interest rate	3-4%	3.2-3.5%
Expected dividend yield	0%	0%

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The weighted average share price for Rights exercised during the year was $0.89 (FY25: $0.90).

The following applies to Rights:

- there is no entitlement to dividends or shadow dividends on unvested rights; and
- in the event of absolute change in control (i.e. the acquisition by a third party and its associates >50% of Emeco shares), rights awarded will vest.

Please refer to note 20 for further information regarding the Group's share-based payments.

Employee expenses

In AUD	2026 $	2025 $
Performance shares/rights	2,467,983	2,720,868
Total expense recognised as employee costs (1)	2,467,983	2,720,868

(1) Should an employee be made redundant, the remaining share-based payment expense for the vesting period will be accelerated and recognised in the period the employee was made redundant.

26. Remuneration of auditors

The auditor of Emeco Holdings Limited is Deloitte Touche Tohmatsu Australia.
Amounts paid or payable for services provided by Deloitte Touche Tohmatsu are as follows:

In AUD	2026 $	2025 $
Audit services		
Auditors of the Company		
Deloitte Touche Tohmatsu Australia:		
- audit and review of financial reports	772,225	721,147
- review of sustainability report	72,000	-
	844,225	721,147
Other assurance and agreed upon procedures		
Auditors of the Company		
Deloitte Touche Tohmatsu Australia:		
- other assurance services	20,000	19,215
Overseas Deloitte Firms:		
- other assurance services	27,516	36,091
- taxation services	22,843	15,959
	70,359	71,265
	914,584	792,412

The Company has engaged with Deloitte Touche Tohmatsu Australia and overseas for the provision of audit as well as other specific assurance. No other advisory or consulting services were provided by Deloitte during the year.

27. Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, Emeco International Pty Ltd is relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' reports. It is a condition of the class order that the Company and each of the subsidiaries enter into a deed of cross guarantee.

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For the year ended 30 June 2026

The effect of the deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the deed are:

- Emeco Pty Ltd
- Emeco International Pty Limited
- Andy's Earthmovers (Asia Pacific) Pty Ltd
- Orionstone Holdings Pty Ltd
- Orionstone Pty Ltd
- Force Equipment Pty Ltd
- Matilda Equipment Pty Ltd
- Matilda Equipment Holdings Pty Ltd
- Pit N Portal Mining Services Pty Ltd
- Emeco Underground Pty Ltd

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed of cross guarantee, for the year ended 30 June 2026 is set out as follows:

	2026 $000	2025 $000
Revenue	792,836	785,354
Cost of sales	(531,517)	(512,079)
Gross profit	261,319	273,275
Operating expense	(132,983)	(142,045)
Other income	4,269	2,127
Finance income	3,684	2,435
Finance costs	(25,106)	(27,689)
Unrealised foreign exchange	425	252
Impairment of assets	(1,286)	(940)
Profit before tax	110,322	107,415
Tax expense	(32,664)	(32,225)
Net profit after tax	77,658	75,190
Other comprehensive loss	(409)	(281)
Total comprehensive profit for the year	77,249	74,909
Accumulated losses at beginning of year	(409,199)	(484,108)
Accumulated losses at end of year	(331,950)	(409,199)
Attributable to:		
Equity holders of the Company	(331,950)	(409,199)
Profit for the year	77,658	75,190

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

	2026 $000	2025 $000
Current assets		
Cash and cash equivalents	125,375	126,348
Trade and other receivables	120,068	177,779
Inventories and work in progress	46,726	42,382
Assets held for sale	19,958	8,479
Other current assets	47,628	30,946
Total current assets	359,755	385,934
Non-current assets		
Property, plant and equipment	814,305	803,918
Right-of-use assets	106,986	79,627
Intangible assets	8,122	8,203
Other financial assets	4,622	4,662
Other non-current assets	14,402	3,751
Total non-current assets	948,437	900,161
Total assets	1,308,192	1,286,095
Current liabilities		
Trade and other payables	103,947	147,842
Interest bearing liabilities	27,682	22,401
Provisions	13,202	11,533
Total current liabilities	144,831	181,776
Non-current liabilities		
Interest bearing liabilities	224,751	298,931
Provisions	472	437
Deferred tax liabilities	100,569	67,905
Total non-current liabilities	325,792	367,273
Total liabilities	470,623	549,049
Net assets	837,569	737,046
Equity		
Share capital	1,148,838	1,148,838
Share-based payment reserve	28,057	26,211
Reserves	(7,376)	(28,804)
Accumulated losses	(331,950)	(409,199)
Total equity attributable to equity holders of the parent	837,569	737,046

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Notes to the Consolidated Financial Statements

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28. Parent entity disclosure

As at and throughout the financial year ending 30 June 2026 the parent entity (the 'Company') of the Group was Emeco Holdings Limited.

	Company	
	2026	**2025**
	$000	**$000**
Result of the parent entity		
Profit for the year [(1)]	-	19,989
Other comprehensive income	-	-
Total comprehensive income for the period	-	19,989
Financial position of parent entity at year end		
Current assets	73	73
Non-current assets	452,720	451,498
Total assets	452,793	451,571
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Total equity of the parent entity comprising of:		
Share capital	1,148,838	1,148,838
Share-based payment reserve	28,057	26,211
Profit reserve	37,866	37,866
Reserve for own shares	(28,589)	(27,965)
Accumulated losses	(733,379)	(733,379)
Total equity	452,793	451,571

(1) Profit includes dividends received from wholly owned subsidiaries which are eliminated on Group consolidation.

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries.

Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are disclosed in note 27.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

29. Other material accounting policies

The other principal accounting policies adopted in the preparation of the financial statements are set out below. The accounting policies are consistent with those disclosed in the prior period financial statements, except for the impact of new and amended standards and interpretations, effective 1 July 2025. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies.

The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

Accounting Standards and Interpretations not effective for the Group at 30 June 2026 or early adopted

A number of new standards, amendments of standards and interpretations are effective for annual periods beginning from 1 July 2026 and earlier application is permitted, however, the Group has not early adopted these standards in preparing these consolidated financial statements. This includes AASB 18 *Presentation and Disclosure in Financial Statements*, which is expected to impact the presentation and disclosure of information in the financial statements once effective. The Group has reviewed these standards and interpretations and has determined that none of these new or amended standards and interpretations will significantly affect the Group's accounting policies, financial position, or performance.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 as appropriate for for-profit orientated entities. These financial statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The consolidated financial statements provide comparative information in respect of the previous period. For consistency with the current year's presentation, where required, comparative information has been reclassified. The financial statements have been prepared under the historical cost basis, except for contingent consideration and certain other financial assets and financial liabilities, which are measured at fair value.

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

The Directors have assessed the group's ability to continue as a going concern, including a review of operations, cash flow forecasts, its new long-term debt facilities commitments, and available financial resources for a period of at least 12 months from the date of signing this financial report. Based on this assessment, the Directors are confident that the entity has sufficient working capital to meet its debts as and when they fall due, and no material uncertainties exist that cast significant doubt upon the entity's ability to continue as a going concern.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are included in the respective notes to the consolidated financial statements: Note 2 – revenue recognition: estimate of variable consideration, Note 5 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Emeco Holdings Limited as at 30 June 2026 and the results of all subsidiaries for the year then ended. Emeco Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

Subsidiaries

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

Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Emeco Holdings Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the reporting date exchange rates of monetary assets, and liabilities denominated in foreign currencies, are recognised in the profit or loss.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded-off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

As at 30 June 2026

30. Subsequent events

On 23 July 2026, Emeco Holdings Limited agreed revised employment arrangements with Mr Ian Testrow, Managing Director and Chief Executive Officer, extending his employment term from 30 June 2027 to 30 June 2031.

As a result of the extension, the loan receivable from Mr Testrow has been classified as a non-current asset.

The revised employment arrangements remain broadly consistent with the previous agreement, with certain amendments to remuneration arrangements intended to further align executive remuneration with shareholder value creation. Shareholder approvals will be sought where required.

On 19 August 2026, the Company announced its intention to undertake an on-market share buy back of up to 10% of its ordinary shares (being a maximum of 51,837,475 shares) over a 12 month period.

There were no other significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Emeco Holdings Limited and its Controlled Entities

Consolidated Entity Disclosure Statement

As at 30 June 2026

This Consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year. Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

			Body Corporate	Tax Residency	
	Country of Incorporation	Entity type	Ownership 2026 %	Australian/ Foreign	Foreign jurisdiction
Parent entity					
Emeco Holdings Limited	Australia	Body corporate		Australia (c)	N/A
Controlled entities					
Pacific Custodians Pty Ltd as trustee for Emeco Employee Share Ownership Plan Trust (b)	Australia	Trust	-	Australia (c)	N/A
Emeco Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Emeco International Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
EHL Corporate Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Emeco Parts Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Emeco Finance Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Andy's Earthmovers (Asia Pacific) Pty Ltd (a)	Australia	Body Corporate	100	Australia (c)	N/A
Orionstone Holdings Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Orionstone Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Ironstone Group Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Orion (WA) Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
RPO Australia Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Force Equipment Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Matilda Equipment Holdings Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Matilda Equipment Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Pit N Portal Mining Services Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Emeco Underground Pty Limited (a)	Australia	Body Corporate	100	Australia (c)	N/A
Emeco Equipment USA LLC (a)	USA	Body Corporate	100	Foreign	USA
Emeco (UK) Limited (a)	United Kingdom	Body Corporate	100	Foreign	United Kingdom
Emeco International Europe BV (a)	Netherlands	Body Corporate	100	Foreign	Netherlands
Emeco Holdings South America SpA (a)	Chile	Body Corporate	100	Foreign	Chile
Enduro SpA (a)	Chile	Body Corporate	100	Foreign	Chile
Emeco Europe BV (a)	Netherlands	Body Corporate	100	Foreign	Netherlands
Emeco BV (a)	Netherlands	Body Corporate	100	Foreign	Netherlands
PT Prima Traktor IndoNusa (a)	Indonesia	Body Corporate	100	Foreign	Indonesia

(a) Participant in Emeco Holdings Limited which is consolidated in the consolidated financial statements.
(b) Pacific Custodians Pty Ltd as Trustee for Emeco Employee Share Ownership Plan Trust which is not consolidated in the consolidated financial statements.
(c) This entity is part of a tax-consolidated group under Australian taxation law, for which Emeco Holdings Limited is the head entity.

Emeco Holdings Limited and its Controlled Entities

Directors' Declaration

In the opinion of the directors of Emeco Holdings Limited (the 'Company'):

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

(b) the consolidated financial statements and notes thereto are in accordance with the requirements of the *Corporations Act 2001 (Corporations Act)*, including the requirements that:

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

  (ii) they give a true and fair view of the financial position and performance of the Company and its controlled entities for the full year ended 30 June 2026; and

  (iii) note 29 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;

(c) the directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2026.

(d) the Consolidated Entity Disclosure Statement on page 158 is true and correct; and

(e) there are reasonable grounds to believe that the Company and each of its subsidiaries that are party to the Deed of Cross Guarantee dated 5 May 2008 (as varied from time to time) (Cross-Guarantee) will be able to meet any obligations or liabilities to which they are, or may become, subject because of the Cross-Guarantee.

Dated at Perth, 19 August 2026

Signed in accordance with a resolution of the directors:

Ian Testrow
Managing Director
19 August 2026

Emeco Holdings Limited and its Controlled Entities

Independent Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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123 St Georges Terrace
Perth WA 6000
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Perth WA 6837 Australia

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Independent Auditor's Report to the Members of Emeco Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Emeco Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the consolidated entity disclosure statement and the directors' declaration.

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

- Giving a true and fair view of the Group's financial position as at 30 June 2026 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

Emeco Holdings Limited and its Controlled Entities

Independent Auditor's Report

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Impairment assessment of goodwill and other non-current assets of the Rental Cash Generating Unit
 	
As disclosed in Note 12, the Group performed annual impairment testing for the Rental cash generating unit ("CGU") as at 30 June 2026.
 	
There is a risk that management has not appropriately identified or considered both internal and external indicators of impairment, and that the recoverable amount assessments may rely on inputs or assumptions that are not reasonable.
 	
Our focus was on evaluating the assumptions and the level of judgement applied by management in performing the impairment assessment, as disclosed in Note 12.
 	
The assessment of recoverable amounts involves significant judgement in preparing a value-in-use model. The significant judgements included but were not limited to:
 	
• forecast revenue including rental fleet forecast utilisation rates, operating costs and resulting forecast EBITDA;
• sustaining capital forecasts;
• terminal growth rate; and
• discount rate.
	Our procedures included but were not limited to:
	
	• evaluating whether management had appropriately identified and assessed internal and external indicators of impairment;
	• assessing the appropriateness of the value-in-use methodology against the requirements of AASB 136 *Impairment of Assets*;
	• testing the mathematical accuracy of management's value-in-use model;
	• assessing management's historical budgeting accuracy for the Rental CGU;
	• evaluating the reasonableness of budgets and forecasts by comparing them to historical actual performance and relevant external market information where available;
	• evaluating key assumptions relating to fleet utilisation, revenue growth and sustaining capital expenditure;
	• in conjunction with our valuation specialists:
	  - evaluating the appropriateness of the discount rate and terminal growth rate applied; and
	  - assessing EBIT multiples for the industry relevant for the Rental CGU at 30 June 2026;
	• performing sensitivity analyses over key assumptions to assess the impact of reasonably possible changes on the recoverable amount and available headroom; and
	• evaluating the adequacy of the disclosures in Note 12 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. The other information includes the sustainability report upon which we have performed a review of specified sustainability disclosures and issued a separate auditor's review report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emeco Holdings Limited and its Controlled Entities

Independent Auditor's Report

Responsibilities of the Directors for the Financial Report

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Emeco Holdings Limited and its Controlled Entities

Independent Auditor's Report

Deloitte.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 77 to 97 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Emeco Holdings Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A T Richards
Partner
Chartered Accountants
Perth, 19 August 2026

N H Gordon
Partner
Chartered Accountants
Perth, 19 August 2026

Shareholder Information

Financial Calendar

The annual general meeting of Emeco Holdings Limited will be held on Wednesday, 18 November 2026.

Event	**Date***
Annual general meeting	18 November 2026
Half year	31 December 2026
Half year profit announcement	February 2027
Year end	30 June 2027

*Timing of events is subject to change and Board discretion.

Shareholder statistics

Substantial shareholders

Details regarding the substantial holders of the Company's ordinary shares as at 21 July 2026 and their relevant interest, as disclosed in the substantial holding notices given to the Company, are as follows:

Name	**Ordinary shares**	**% Issued capital**[(1)]
Black Diamond Capital Management LLC Black Diamond Credit Strategies Master Fund Ltd BDCM Opportunity Fund IV LP BDCM Opportunity Fund III LP BDCM Strategic Capital Fund I, L.P.	210,735,380	40.65
Paradice Investment Management Pty Ltd	43,286,023	8.35
Kambiz Nourbakhsh	25,976,235	5.01

(1) Calculated based on issued capital of 518,374,757 ordinary shares as at the date of the substantial shareholder notice.

Shareholder Information

Distribution of ordinary shareholders

As at 21 July 2026, there were 4,634 holders of the Company's ordinary shares. The distribution as at 21 July 2026 was as follows:

Range	Investors	Ordinary shares	% Ordinary shares
100,001 and Over	121	490,992,685	94.72
10,001 to 100,000	688	20,180,715	3.89
5,001 to 10,000	429	3,272,883	0.63
1,001 to 5,000	1,197	3,140,692	0.61
1 to 1,000	2,199	787,782	0.15
Total	**4,634**	**518,374,757**	**100.00**

There were 1,547 shareholders holding less than a marketable parcel of 511 ordinary shares (share price of $0.98 on 21 July 2026).

Shareholder Information

20 Largest Shareholders

The names of the 20 largest holders of the Company's ordinary shares as at 21 July 2026 are:

Rank	Name	Ordinary shares	% Ordinary shares
1	J P Morgan Nominees Australia Pty Limited	164,031,330	31.64
2	Citicorp Nominees Pty Limited	151,728,483	29.27
3	HSBC Custody Nominees (Australia) Limited	45,208,461	8.72
4	BNP Paribas Nominees Pty Ltd <IB AU noms retail client>	36,631,036	7.07
5	Pacific Custodians Pty Limited <EHL plans ctrl>	13,786,872	2.66
6	Precision Opportunities Fund Ltd	9,515,987	1.84
7	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	7,254,724	1.40
8	Mr Peter David Wilkinson & Mrs Jennifer Louise Wilkinson	5,814,857	1.12
9	First Samuel Ltd	4,451,724	0.86
10	Sandhurst Trustees Ltd	4,129,955	0.80
11	ZThree Pty Ltd	3,500,000	0.68
12	Pacific Custodians Pty Limited <Emp Share Plans Tst A/C>	3,256,641	0.63
13	NCH Pty Ltd	2,876,113	0.55
14	BNP Paribas Noms Pty Ltd	2,594,695	0.50
15	Warbont Nominees Pty Ltd	2,245,668	0.43
16	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	1,779,874	0.34
17	BNP Paribas Noms (NZ) Ltd	1,747,864	0.34
18	Elphinstone Holdings Pty Ltd	1,563,357	0.30
19	Jode Super Pty Ltd	1,442,623	0.28
20	HSBC Custody Nominees (Australia) Limited – A/C 2	1,368,574	0.26

Voting rights of ordinary shares

Voting rights of shareholders are governed by the Company's constitution. The constitution provides that on a show of hands every member present in person or by proxy has one vote and on a poll every member present in person or by proxy has one vote for each fully paid ordinary share held by the member.

Under the terms of the performance rights issued in respect of the Company's current employee long term incentive plans, holders of performance rights have no voting entitlements.

Shareholder Information

Unquoted equity securities

As at 21 July 2026, there were 18,347,852 performance rights on issue to 23 participants pursuant to the Company's employee incentive plans. The distribution as at 21 July 2026 was as follows:

Range	Participants	Performance rights	% Performance rights
100,001 and Over	17	17,926,316	97.70%
10,001 to 100,000	6	421,536	2.30%
5,001 to 10,000	–	–	–
1,001 to 5,000	–	–	–
1 to 1,000	–	–	–
Total	**23**	**18,347,852**	**100.00%**

Securities subject to voluntary escrow

As at 21 July 2026, there were no securities subject to voluntary escrow.

On-Market Share Buy-Back

No on-market share buy-back was conducted during FY26.

On 19 August 2026, the Company announced its intention to undertake an on-market share buy-back of up to 10% of its ordinary shares (being a maximum of 51,837,475 shares) over a 12 month period

Company Directory

Directors

Ian Maclver

Ian Testrow

Peter Frank

James Walker III

Shaun Treacy

James Scott

Secretary

Penelope Young

Registered office

Level 3, 133 Hasler Road
Osborne Park WA 6017

Phone: +61 8 9420 0222

Website: emecogroup.com

Email: investor.relations@emecogroup.com

Share registry

MUFG Corporate Markets (AU) Limited
Liberty Place
Level 41
161 Castlereagh Street
Sydney NSW 2000

Phone: 1800 689 300

https://au.investorcentre.mpms.mufg.com/

Auditors

Deloitte Touche Tohmatsu
Level 7-9 Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

Securities exchange listing

Emeco Holdings Limited ordinary shares are listed on the Australian Securities Exchange.

ASX code: EHL

Financial Summary

Five-Year Financial Summary*

		2026	2025	2024	Restated [(2)] 2023	2022
REVENUE						
Total revenue from continuing operations	$'000	792,836	785,354	822,728	874,917	754,368
PROFIT						
Operating EBITDA [(1)]	$'000	292,511	301,139	280,483	250,379	250,173
Operating EBIT [(1)]	$'000	147,996	145,732	125,292	104,558	120,732
Operating NPAT [(1)]	$'000	89,022	84,537	69,367	59,118	68,867
Reported profit/(loss) for the year	$'000	76,662	75,140	52,660	41,331	64,953
Basic EPS	cents	14.79	14.49	10.2	8.0	12.0
BALANCE SHEET						
Total assets	$'000	1,310,305	1,247,000	1,174,758	1,111,570	1,021,513
Total liabilities	$'000	518,009	532,179	537,517	522,126	454,292
Shareholders' equity	**$'000**	**792,296**	**714,821**	**637,241**	**589,444**	**567,221**
Total debt	$'000	252,433	321,332	358,736	322,647	301,064
CASH FLOWS						
Net cash flows from operating activities	$'000	266,693	253,780	237,170	206,388	221,148
Net cash flows from investing activities	$'000	(153,168)	(149,184)	(201,433)	(180,875)	(169,874)
Net cash flows from financing activities	$'000	(114,500)	(56,503)	(4,132)	(38,995)	(65,687)
Net cash movement	**$'000**	**(975)**	**48,093**	**31,605**	**(13,482)**	**(14,413)**
Free cash flow before payments for acquisitions and other investments	**$'000**	**113,525**	**104,596**	**35,737**	**25,513**	**51,274**
DIVIDENDS						
Number of ordinary shares at year end	'000	518,375	518,375	518,375	519,003	526,666
Total dividends declared in respect to financial year	$'000	-	-	-	12,973	13,341
Ordinary dividends per share declared	**cents**	**-**	**-**	**-**	**2.5**	**2.5**
Special dividends per share declared	**cents**	**-**	**-**	**-**	**-**	**-**
KEY RATIOS						
Average fleet utilisation - surface	%	82.0	85.0	91.0	93.0	91.8
Average fleet utilisation - underground	%	67.0	57.0	-	-	-
Operating EBIT ROC [(1)]	%	16.9	16.6	14.9	13.2	16.2
Leverage ratio	x	0.43	0.65	1.00	1.10	0.96

*Financial information as reported in the corresponding financial year includes operations now discontinued.

(1) Operating results are non-IFRS measures. Please refer to previous annual reports for reconciliation between Reported and Operating results.

(2) Refer to 2024 Annual Report for details on prior period restatement.

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