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Synertec Corporation Limited

APPENDIX 4E STATEMENT

PRELIMINARY FINAL REPORT

COMPANY DETAILS

Name of entity: **Synertec Corporation Limited**
ARBN : **161803032**
Reporting Period: **For the financial year ending 30th June, 2025.**
Previous corresponding period: **For the financial year ending 30th June, 2024.**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30.6.2025 $	30.6.2024 $	Up/Down	Change $	Change %
Revenues from ordinary activities	18,210,373	19,793,030	Down	(1,582,657)	(8%)
Loss from ordinary activities after tax attributable to the owners of Synertec Corporation Limited	(7,642,813)	(7,258,228)	Down	(384,585)	(5%)
Loss for the year attributable to the owners of Synertec Corporation Limited	(7,642,813)	(7,258,228)	Down	(384,585)	(5%)

Dividends No dividends were declared, paid or recommended in respect of the current year (pcp: nil)

Net tangible assets	30.6.2025 Cents	30.6.2024 Cents
Net tangible assets per ordinary security	0.01	0.02

Control gained over entities Not applicable

Loss of control over entities Not applicable

Details of associates and joint venture entities Not applicable

Audit qualification or review Details of audit/review dispute or qualification (if any):

The accounts have been audited and a copy of the Auditor's Report is included within the Annual Financial Report which accompanies this report.

Attachments Details of attachments (if any)

The Annual Report of Synertec Corporation Limited for the year ending 30 June, 2025 is attached.

Signed

Mr. Michael Carroll
Managing Director
Melbourne, Australia
29 August 2025

SYNERTEC

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Annual Report

Synertec Corporation Limited
(ASX:SOP)
2025 Annual Report

FINANCIAL REVIEW

SUSTAINABILITY LEADERS 2025

Best Professional Services, Engineering Advisory Firm.

CATEGORY WINNER

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ANNUAL OVERVIEW

$18.2m
Revenue and other income

$72m
Engineering Tendered opportunities

Zero
TRIFR and lost time injuries over 5 consecutive years

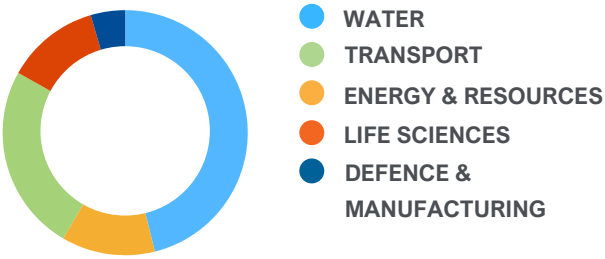
Over the past year, our Engineering and Technology divisions have advanced their market leadership by delivering innovative, high-value solutions to transformative projects across our five core industry sectors: Water, Transport, Energy & Resources, Life Sciences, Defence & Manufacturing.

HIGHLIGHTS INCLUDE

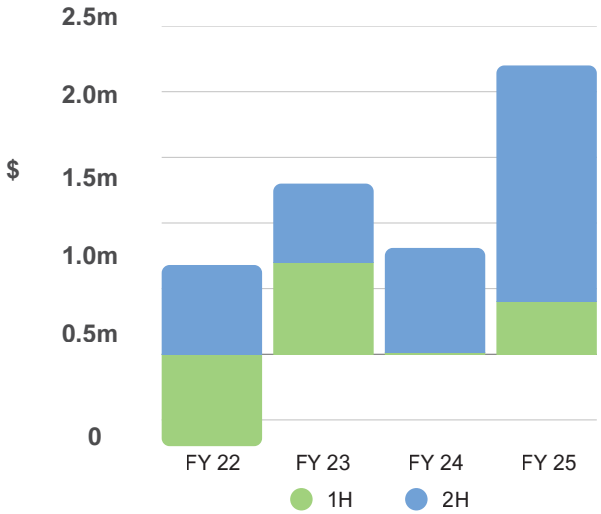
- Strengthening our position in the water sector with key panel appointments, including Sydney Water's SCADA and Electrical Services Panel and Western Australia's Water Corporation's Process Control Technologies Panel, completing high profile projects, such as, inlet upgrades at Karratha and South Hedland, major control system renewals for Melbourne Water, the design and automation of Tarago's new drinking water, fluoride treatment facility, and power quality restoration at Thomson Hydro, unlocking maximum generation capacity to name a few.
- Advancing national health capabilities through major GMP-compliant facilities in life sciences.
- Enhancing energy security in remote regions and driving the renewable transition in energy and resources.
- Delivering critical control and safety systems for some of Australia's largest rail infrastructure projects.
- Expanding our presence within in the defence and manufacturing sector.
- Powerhouse celebrating 5 years of continuous 99.9%+ fossil fuel free power.

From complex engineering contracts to breakthrough technology initiatives, these achievements have created lasting value for clients and stakeholders, positioning Synertec for sustained growth in the years ahead.

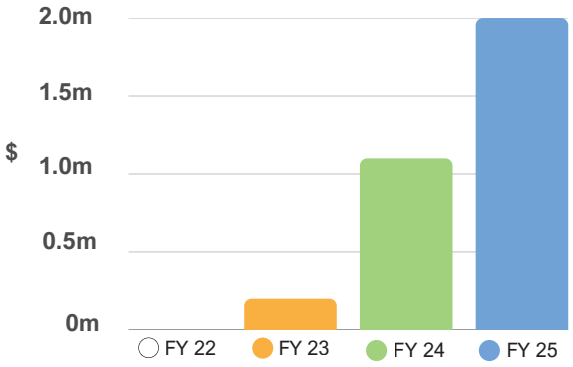
FY25 REVENUE BY INDUSTRY



STRONG ENGINEERING SEGMENTED NORMALISED EBITDA



POWERHOUSE REVENUE GROWTH



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ENGINEERING DNA

WATER

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"Our team is ready to leverage our proven capability to deliver complex water infrastructure projects safely, efficiently, and with enduring client value".

Over the last 12 months Synertec strengthened its position as a trusted provider of operational technology (OT), SCADA, and electrical engineering services to some of Australia's largest water authorities. Officially appointed to Sydney Water's SCADA and Electrical Services Panel under a three year agreement (with a further four year extension option). The panel has a budget of $245m in water projects over the next 5 years. Panel membership also offers opportunity to access Sydney Water's Regional Delivery Partners as part of its $34 billion infrastructure program.

We were appointed and commenced delivery of Western Australia's Water Corporation's Process Control Technologies Panel under a initial five-year term, (with the option for up to five additional one-year extensions), completing upgrades at Karratha and South Hedland with positive client feedback.

Our Melbourne Water OTMPD contract was extended following consistent high performance, with works spanning control system and network renewals across treatment, drainage, and sewerage assets. Additional highlights include completing design and automation for a new fluoride treatment facility at Tarago, and resolving power quality issues at Thomson Hydro, enabling uninterrupted maximum output and restoring lost revenue for Melbourne Water.

Backed by over 2 decades of water industry expertise and a 100+ strong engineering team, Synertec delivers projects across the full lifecycle, from design and integration to commissioning and operational support, while maintaining the highest standards in live operational environments. With recent panel wins in NSW and WA, our team are poised to expand further into regional Victoria and Brisbane / Southeast Queensland.

ENGINEERING DNA

TRANSPORT

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"With proven experience, Synertec is well placed to deliver safe, efficient, and future-ready transport infrastructure nationwide."

Synertec delivers advanced control, safety, and automation systems that enhance safety, efficiency, and compliance in the transport sector. Our expertise includes control systems, systems engineering, electrical engineering, functional safety, cybersecurity, and validation, enabling us to provide integrated and innovative solutions across rail and other transport sectors.

Over the past year, we have contributed to some of Australia's most significant rail infrastructure projects. This includes the $13.5 billion Melbourne Metro Tunnel Project, which will boost network capacity by 500,000 passengers per week, where our team delivered control, communications, and monitoring systems for Australia's first high-capacity signalling project using Communication Based Train Control (CBTC) technology. We also developed SIL 2–certified software for the Segula Inspection Vehicle.

Our work on the Melbourne Underground Rail Loop (MURL) Fire and Life Safety System is another standout achievement. This critical upgrade to one of Melbourne's key transport assets comprises four single track tunnels over two levels and three underground stations, that will improve incident management and protect passengers, staff, and emergency services from hazards such as fire or smoke. Delivered entirely in-house by our dedicated team of engineers, the project included design, supply, testing, and commissioning of a new safety control system and upgrading the existing Control & Monitoring System.

ENGINEERING DNA

ENERGY & RESOURCES

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"Our focus remains on expanding across both conventional and renewable energy projects, delivering innovation, resilience, and sustainable value for the sector."

Synertec's Energy & Resources team works alongside clients to transition to a cleaner, more sustainable future. We support the extraction, processing, transportation, and operation of both finite and renewable resources, modernising and optimising critical assets and infrastructure that power Australia.

Our multidisciplinary expertise covers electrical, control systems, process engineering, and cybersecurity, enabling us to deliver complete, end-to-end solutions that protect and enhance essential operations.

We are a highly experienced team that develops innovative, cost effective, and best-practice solutions. Our solutions extend beyond general engineering, we also provide expert services in functional safety, machine safety, hazardous area, metering and sampling, and instrumentation to support energy and resources infrastructure.

Synertec is uniquely positioned to deliver reliability, while enabling the renewable energy transition. Proprietary innovations, such as Powerhouse, help clients optimise performance, reduce costs, and maximise asset value. Over the past year, key achievements include:

- Strengthening energy security with advanced control systems of a major gas transmission and storage pipeline.
- The provision of advanced control systems and safety systems for the Northern Gas Pipeline.
- Extension of our solutions to address future energy needs by designing and implementing a renewable microgrid integrating battery energy storage (BESS), and solar generation.
- Design and build of a flare gas sampling system to greatly improve the accuracy of environmental data.

ENGINEERING DNA

LIFE SCIENCES

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"Our reputation as a trusted partner is built on decades of GMP leadership and a track record of delivering high-value outcomes for Australia's leading life sciences organisations."

For almost 30 years, Synertec has delivered exceptional results, earning a reputation built on pharmaceutical expertise and leadership in Good Manufacturing Practice (GMP).

We offer fully integrated, end-to-end solutions from feasibility studies, detailed design, construction and fabrication management, to validation. This, coupled with our services in compliance, training and ongoing support, gives our clients confidence and certainty at every stage of the project lifecycle.

Our deep expertise in GMP regulations, paired with broad multidisciplinary capabilities, enables us to deliver complex, high value projects across the Life Sciences sector. In the past year, standout projects include finalisation of the National Vaccine and Therapeutics Lab for CSIRO, where we designed, procured, constructed, commissioned, and qualified a cutting-edge multiproduct facility for producing biological therapeutics using advanced monoclonal antibody processes.

Similarly, our collaboration with CSL on their critical projects in biotherapeutics and vaccine facilities, and our continued support for ANSTO and Pfizer, further strengthened our position as a trusted national partner in life sciences.

Synertec were appointed to two panels with ANSTO, covering Process and Chemical Engineering, and Control Systems and Instrumentation over a two year term.

Looking ahead, we are leveraging our expanding industry knowledge and technical strengths to accelerate growth across Australia, unlocking new opportunities in an increasingly diverse and dynamic life sciences market.

ENGINEERING DNA

DEFENCE & MANUFACTURING

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"We deliver confidence in complex environments, combining technical expertise with seamless integration to meet the needs of Australia's leading defence and manufacturing partners."

Synertec delivers advanced engineering, automation, and safety solutions to the defence and manufacturing sectors, enhancing operational performance, compliance, and safety in highly regulated environments. We are trusted partners to leading defence primes, manufacturers, and bulk liquid storage operators, and we remain proudly independent while working seamlessly with major vendors and integrators.

Past projects include advisory and design works for the relocation and upgrade of a propellant extrusion facility at Mulwala, ammonia storage and waste acid tank upgrades for Thales, and ongoing control and safety system projects for bulk liquid storage terminals with Stolthaven, Quantem, and GrainCorp.

Our recent partnership with GrainCorp Foods has expanded into fats and oils processing, where our expertise is now being applied to agrienergy applications such as biofuels and animal feed production.

We see significant opportunity to expand our role as a trusted subject matter experts to prime defence contractors, Tier 1 engineering consultants, and industrial manufacturers, while continuing to diversify into emerging markets such as bioenergy, advanced manufacturing, and energy storage.

With a growing portfolio of advisory, design, automation, and functional safety capabilities, Synertec is positioned to play a key role in building secure, efficient, and sustainable infrastructure across the defence and manufacturing sectors.

ENGINEERING DNA

POWERHOUSE BY SYNERTEC

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"Powerhouse is enabling a new standard of clean reliable energy and we're just getting started."

Powerhouse is Synertec's proprietary, next-generation renewable energy system, delivering 99.9% power availability with no fossil fuel backup. Designed, developed, and deployed by our Engineering and Technology divisions, it provides partners with a proven, immediate pathway to a zero-carbon future.

Built for critical power applications and remote operations, Powerhouse integrates seamlessly with Low Voltage (LV), Medium Voltage (MV), and High Voltage (HV) networks, powering even the most demanding industrial equipment. Powerhouse is an AI-powered smart industrial scale technology that provides clean renewable power in both islanded microgrid form and grid support applications, and has been engineered for rapid deployment and reliable high availability for critical continuous power demands.

Powerhouse has been engineered for rapid deployment, reliability and provides significant operating efficiencies at an industrial scale. Its AI-driven optimisation ensures unmatched reliability, efficiency, and scalability across diverse environments, directly supporting industry by delivering:

- Resilient, cost-effective clean energy that reduces downtime and operational costs
- Reliable, zero-emission power for mining, oil & gas, and other resource projects, eliminating diesel reliance
- Reliable continuous, safe, and sustainable power for mission-critical facilities

As global industries accelerate toward net zero, Powerhouse stands as a disruptive, high-value technology reducing environmental impact while driving profitability, productivity, and operational resilience.

Click to learn more about our award winning Technology

A customer site operating in remote Queensland

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REPORT FROM THE CHAIR

Johannes Risseeuw

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Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you Synertec Corporation Limited's 2025 Annual Report.

Since joining the Board of Directors in October 2024 as Independent Non-Executive Director and Chair Elect and subsequently assuming the role of Chairman at the end of February 2025, I have worked closely with my fellow Board members and management to develop and hone the Company's strategic direction, with one objective, to return sustainable and significant value to our shareholders. This process was thorough, and it confirmed that Synertec offers the potential to be an impact investment.

Our strategy to target government agencies and utilities, especially water utilities, has positioned the Engineering business for sustained and profitable growth. This is evidenced by how strongly the Engineering business rebounded in the second half after a difficult first half following decisive action at the beginning of Q2, including redundancies and a companywide restructure. I am pleased to report that our pipeline of opportunity is healthy, and we are looking to recruit to deliver the opportunities we currently have in hand.

Our Technology business continues to advance Powerhouse, our AI-driven 100% renewable, islanded microgrid power system that Santos has embraced to power coal seam gas wells in remote Queensland. On the back of this success, other coal seam gas operators are investigating how Powerhouse can be applied to their remote operations. We are confident Operators will follow suit and start to deploy Powerhouse to their operations.

The Powerhouse team has engaged with global technology and manufacturing providers to secure our supply chain to ensure Powerhouse remains well ahead of any developing competition. Our aim is to be the most technologically mature, remote industrial power system that is commercially superior and can be delivered at the scale industry requires.

While we can point to many successes, near-term and future opportunities, this year has been difficult for our people. I would like to acknowledge their efforts and their trust. Collectively they have "stayed the course" and we are now in a strong position to provide exciting career opportunities for current staff, and we will continue to attract the best talent from outside our organisation. Our staff are ultimately the key of our success and I would like to thank them all of their contributions this year.

Of course, a non-negotiable of our business is that the safety and wellbeing of our staff is paramount in everything we do. On this point I am very pleased to report that the company reported no notifiable safety or environmental incidents for the year.

Finally, to our shareholders, customers and partners, I would like to acknowledge your support throughout the year and with your continued support the Company is well placed for success.

Yours Sincerely

Mr. Johannes Risseeuw
Chair of the Board

MANAGING DIRECTOR'S REPORT

Michael Carroll

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Dear Shareholders,

Board Renewal

Welcome to the 2025 Annual Report for Synertec Corporation Limited. Financial Year 2025 (FY2025) was challenging, rewarding and one of renewal and change. The renewal started at the Board, firstly with the planned retirement from the Board of Executive Director, Mr David Harris. Mr Harris also agreed to move from his roles as Chief Financial Officer and Company Secretary, to the newly created Head of Technology Solutions, with his primary focus to drive revenue growth from our proprietary 100% renewable microgrid and standalone power system technology, Powerhouse. With Mr Harris' transition to his important new role, Mr Yash Gala was promoted from General Manager of Finance to Chief Financial Officer.

The planned and orderly board renewal process continued with the retirement of the Chair, Mr Dennis Lin at the end of February 2025 with Chair elect, Mr Johannes Risseeuw immediately appointed to Chair. While FY25 saw significant change at the board and executive level, all parties worked collaboratively to affect the transitions seamlessly, a fact for which I am grateful.

Finance

Given the Engineering sector slowdown it is not surprising that the Company is reporting a decline in total revenue to $18.2 million (PCP $19.8million, down 8%). However, because of managements quick and decisive action I am pleased to report that the companies normalized EBITDA improved by 15% to a loss of $2.8million, (PCP $3.3million loss) and finished the period with cash at bank of $3.7million and access to further funding via a facility with Altor Capital.

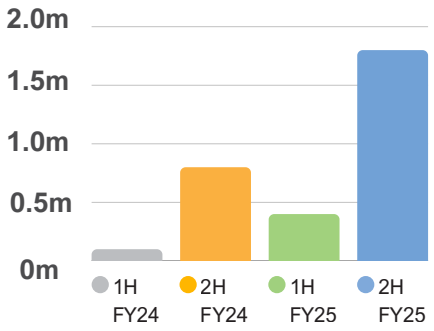
Engineering

The Australian Engineering sector broadly saw a slowdown and subsequent sector wide redundancies in response. We were not immune to these headwinds. However, we acted quickly and decisively.

$2.0m

Powerhouse revenue up 90% on the previous year

ENGINEERING EBITDA REBOUND



2400

tonnes of CO2e reduced per year from three Powerhouse sites

MANAGING DIRECTOR'S REPORT

Michael Carroll

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We reduced our workforce by approximately 25% by the end of Q2 to right size our business for the short term, but importantly, we recalibrated our skill sets in line with what our strategy demanded.

We restructured our Engineering business to reflect our focus on five core sectors which include Water, Transport, Energy & Resources, Life Sciences, Defence & Manufacturing. We have streamlined our BD processes, and we have created direct links between Sales and Delivery functions to better understand and serve our clients.

Our strategy of targeting utilities and infrastructure is beginning to deliver meaningful results. FY25 presented a rare alignment of opportunity, with several long-term panel agreements across our strategic focus areas coming up for renewal. We were successful in securing positions on a number of these high-value panels, including the Water Corporation Process Control Technologies Panel in Western Australia (three year panel with the extension of two years), the Sydney Water SCADA and Associated Electrical Services Panel (three-year term with two further, two-year extension options), and two panels with the Australian Nuclear Science and Technology Organisation (ANSTO) covering Process and Chemical Engineering, and Control Systems and Instrumentation (two-year term with a one-year extension option). These new appointments build on our already strong foundation of existing panel memberships.

Among these is our long-standing relationship with Melbourne Water, where Synertec has maintained a continuous services agreement since 2007. Over the past 18 years, Melbourne Water has periodically retendered this work, and Synertec has successfully secured the contract each time.

Our current position on the Operational Technology Maintenance and Project Delivery Panel is in place until the end of 2026, with the option of a further one-year extension. We also continue to support South East Water through our membership on the Intelligent Services Panel, which is due for retender in the coming year.

The significance of being appointed to these panels is that Synertec is now pre-qualified, along with a handful of other companies, to participate on significant capital projects for many years to come. These panels are typically renewed every three to seven years, and so once successfully appointed, provide a barrier to greater competition and an opportunity to become deeply imbedded in Client operations, fostering long-term relationships and sustained revenue visibility.

I am pleased to report that after a difficult first half, the Engineering business rebounded well. The second half Engineering segment normalised EBITDA was $1.8million compared to the first half Engineering segment normalised EBITDA of $0.4 million, taking the annual segment normalised EBITDA to $2.2million (FY24 $0.8million). Couple the significant opportunity of our recent panel successes highlighted above, and the fact that in FY25 90% of our revenue (up from 80% FY24) is from repeat customers, we are excited about the Engineering business and its prospects for FY26 and beyond.

Technology - Powerhouse

Powerhouse is a renewable, standalone, grid-forming, microgrid power system for industrial–scale applications in remote areas and extreme weather conditions. It is proven to be:

- Cost effective
- Reliable and sustainable (with no fossil fuel back up)

MANAGING DIRECTOR'S REPORT

Michael Carroll

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- Flexible and scalable
- AI-enabled with highly accurate Predictive Intelligence
- Portable

We can report that Powerhouse has now delivered more that 5years of electrical power at greater than 99.9% availability to coal seam gas wells in remote Queensland for Santos. Furthermore, there were no unscheduled emergency maintenance calls outs over the period. This is unparalleled performance and offers Santos and others a unique opportunity to deliver industrial power quickly, flexibly and cheaply to their remote operations.

In the Period, Powerhouse delivered $2.0 million in revenue (FY24 $1.1million) and Powerhouse has current annualised contracted revenue of $2.4million in future periods. We have worked hard on our technology, manufacturing and site installation supply chain during FY25. We have MOU's with the largest battery supplier in the world, and other global companies that provide advanced power control technologies, such as Siemens.

Board delegations to China, including the former Chair and the Managing Director set frameworks for collaboration with global suppliers with the promise of offering cutting edge technology, at scale and at extremely competitive price points. The newly appointed Head of Technology Solutions and members of his team, travelled to China and have cemented agreements delivering on that promise, that is, the world's best technology, delivering unparalleled performance that is commercially compelling for our clients.

At the other end of the supply chain, the Powerhouse team has worked hard to become accredited to deliver site installations works in our own right on Santos sites. This was a significant body of work involving the development of safety policies, procedures and training that complies with Santos' very high site safety requirements.

This accreditation allows Synertec to control site works, appoint contractors, and deliver Powerhouse units economically, safely and at scale. The policies, procedures and training is also relevant to other CSG operators allowing, an efficient accreditation process when required in the future.

Over FY25 we have built awareness of what Powerhouse has achieved and how it can be applied to various industries and the cost savings on offer over the current technology. While this process seems slow it is worth remembering that Powerhouse is a disruptive technology being applied to traditional, mature operations. On this front, I am glad to report that we are seeing a significant increase of in-bound enquiries and we are responding to numerous formal quotations. We are confident that momentum is building and we look forward to informing the market of our successes in FY26.

Yours Sincerely

Mr. Michael Carroll

Managing Director

ESG REPORT

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ESG REPORT

Engineering Solutions for a better future

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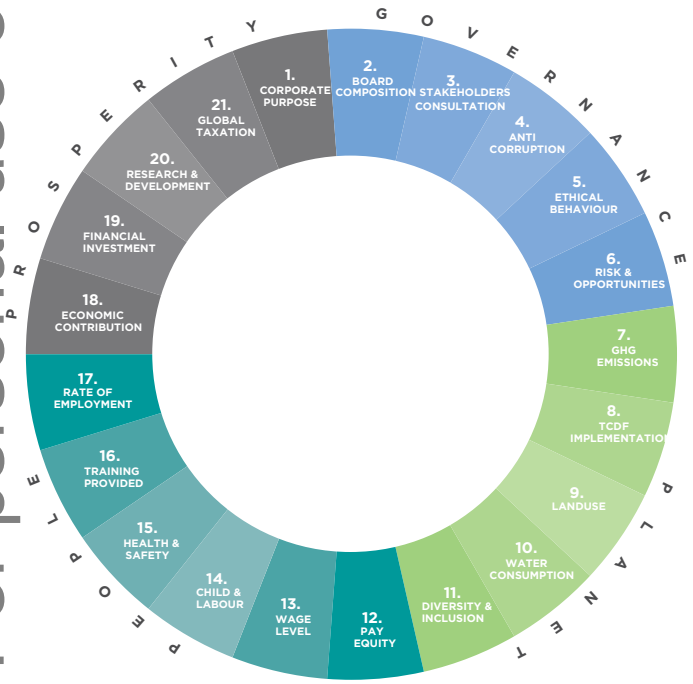


A long-standing commitment to Environmental, Social, Governance (ESG) principles is deeply embedded in the technology and solutions provided by Synertec.

This is the 5th ESG report that Synertec will make using the World Economic Forum's (WEF) ESG framework of People, Planet, Prosperity and Governance and the specific core metrics that are covered over the next pages in detail.

The company continues its deep commitment to these principles, transparency in reporting and progress in results. As we enter the 30th year of operation our Board and our Leadership Team is focussed on this future all the while fostering the ongoing development and success of our people.

Synertec's purpose remains helping our clients and partners transition to a lower emission future through our technological products like Powerhouse and our engineering solutions that are being implemented across critical industries in the Australian economy that include Water, Transport, Energy, Manufacturing and Defence.

PEOPLE

Synertec's People Manager Workshops are designed to equip our people leaders with the tools to build and manage high-performing teams. This photo captures a moment from one of our recent workshops, where our managers explored practical strategies for fostering collaboration, accountability, and growth across their teams as we prepare for the new performance year.

DIVERSITY AND INCLUSION

Synertec continues to evolve, with a current workforce of 103 employees at the end of FY25, following a strategic restructure and national expansion. While headcount has decreased from 130 in FY24, the company remains focused on building a diverse and capable team. Gender representation includes 82 male employees (79%) and 21 female employees (21%), with age distribution spanning 13 people under 30 (13%), 63 people aged 30–50 (61%), and 27 people over 50 (26%) 1. Ethnic diversity remains a cornerstone of Synertec's culture, with employees identifying across 35 distinct backgrounds, including Australian, Indian, Chinese, Filipino, Greek, Colombian, and Central & West African heritage.

Synertec's flexible work policy continues to support work/life balance, offering both formal and informal arrangements tailored to individual needs. A recent engagement survey rated these flexible options at 95%, reflecting strong employee satisfaction.

To further its commitment to inclusion, Synertec has continued to invest in the Remarkables network, enhancing women's networking and engagement. The company also supports several initiatives, including:

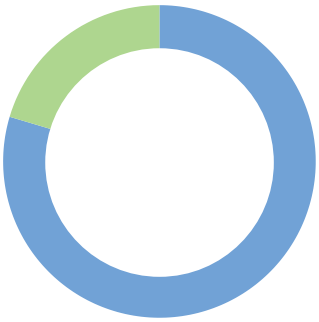
- A Graduate and Early Careers programme to nurture emerging talent.
- A Buddy programme that connects employees across disciplines and backgrounds.
- A Social Club, run by employees, to foster connection and community.

These efforts are underpinned by comprehensive policies:

- **Synertec's Diversity Policy** promotes an inclusive workplace that values diverse backgrounds and supports flexible work and equitable recruitment.
- **Synertec's Equal Employment Opportunity Policy** ensures fairness and respect across all employment practices, fostering a discrimination-free environment.

SYNERTEC WORKFORCE

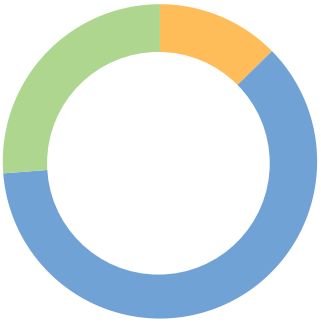
By Gender



FEMALE 21% (FY24: 25%)
MALE 79% (FY24: 75%)

SYNERTEC WORKFORCE

By Age



UNDER 30 13% (FY24: 15%)
30-50 61% (FY24: 64%)
OVER 50 26% (FY24: 21%)

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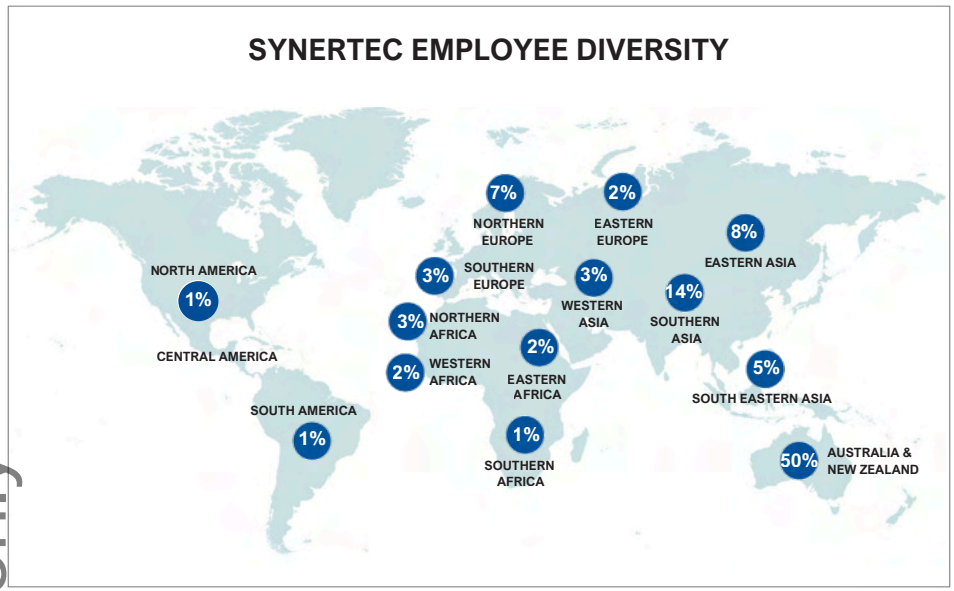
PEOPLE



WAGE LEVEL

For FY25, the ratio of Synertec's standard entry-level wage to the minimum wage is 1.29, meaning entry-level employees earn 29% more than the national minimum wage.

This reflects Synertec's continued commitment to offering competitive compensation aligned with industry benchmarks and reviewed annually. The ratio of Synertec's CEO's annual total compensation to the median total compensation of employees is 306% for FY25, a slight decrease from 309% in FY24. This reduction reflects ongoing efforts to maintain equitable pay structures while aligning leadership compensation with company performance and workforce expectations.

PAY EQUALITY

For FY25, Synertec has introduced a new metric, reporting a total gender pay ratio of 87%, reflecting a positive shift in overall pay equity from FY24.

This improvement follows a recent business restructure and aligns with Synertec's ongoing commitment to pay parity for roles at similar levels. The company continues to monitor and refine its remuneration practices to close any remaining gaps.

Details on the remuneration of Key Management Personnel are available in the Remuneration Report section of the Annual Report, reinforcing Synertec's continuing commitment to transparency and accountability in compensation.

REMARKABLES WOMENS NETWORK

Synertec's Remarkable network meets regularly to promote issues that are important to the ongoing development and success of this group including peak performance, productivity and wellness, connectivity and development. The photo below was taken at one of the session run to celebrate International Women's Day.

The Remarkables celebrating International Women's Day

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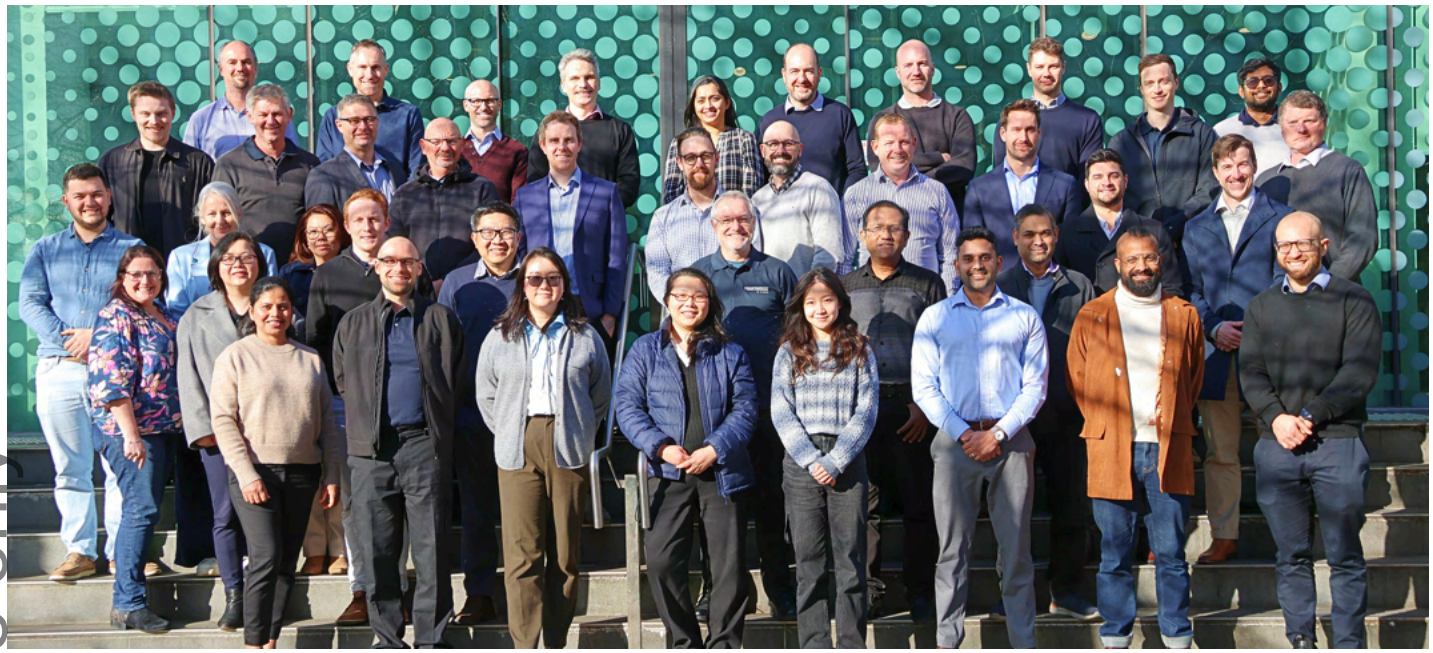
PEOPLE



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CHILD, FORCED OR COMPULSORY LABOUR

Synertec first introduced its Modern Slavery Policy in 2022 and remains committed to acting ethically and with integrity in all business dealings and relationships, to ensure that the Company remain compliant with Australian and international laws and regulations in this area. Synertec does not work with any suppliers or subcontractors who are unwilling to agree to and sign its modern slavery policy. All vendors must complete an agreement confirming no incidents of modern slavery or child labour in their supply chain.

HEALTH AND SAFETY

Synertec again, achieved zero reported injuries in FY25. Synertec continues to promote a Safety First culture with Health and Safety being integral to the Company's strategy and operations. Synertec's approach to Health and Safety is risk-based and pragmatic ensuring we focus on the right things as well as design processes and procedures that are followed by our people.

A highlight for FY 25 has been our successful certification as a Mode 2 contractor for Santos validating our systems and ability to deliver work safely in highly regulated environments. Key Health and Safety metrics, are outlined in the Managing Director's Report section of the Annual Report. The Company reports these statistics to workplace Health and Safety insurers by State, ensuring transparency and regulatory compliance. Synertec holds quarterly Occupational Health, Safety and Environment (OHSE) meetings with executive participation.

Safety is reviewed as a standing agenda item at all Board meetings, highlighting the company's commitment to safety at the highest levels of governance. As well as first aiders Synertec also has mental health first aiders to support employees. Synertec continues its long term relationship with an Employee Assistance Program (EAP) provider that is available for confidential unfettered access by all employees.

Synertec also seeks to support employees through strong and regular internal communication between managers and their teams. This is to ensure that everyone has access to the necessary resources to perform at their best. The Company also provides personal support particularly meals to employees in times of need.

TRAINING PROVIDED

Synertec's performance development planning for all its employees, includes the continued rollout of course content, both general and customised, through the Learning Management System (LMS). Development pathways align with current and future skill requirements, ensuring that training efforts remain relevant and impactful to the business and our clients. Technical, discipline and management training are all important training focuses.
People managers ensure that their team members are trained in order to continue to grow within their roles and future aspirations.

PLANET

GHG EMISSIONS

Synertec continues to refine its emissions reporting and reduction strategies. In FY25, Scope 1 emissions totalled 2,548 tCO_2e, a decrease from 4,008 tCO_2e in FY24.

Scope 2 emissions, which stem from purchased electricity at leased offices in Melbourne and Perth, have more than halved, dropping from 267 tCO_2e in FY24 to 106.6 tCO_2e in FY25.

This reduction reflects improved energy efficiency and operational changes across facilities. Synertec's total reported emissions for FY25 stand at 2951tCO_2e, up from 4,276 tCO_2e in FY24.

Scope 3 is not reported.

PROSPERITY

RATE OF EMPLOYMENT

With over 100 employees Synertec continues to focus on their success and the ongoing attraction and retention of highly skilled and diverse talent.

ECONOMIC CONTRIBUTION

Synertec remains committed to increasing engagement and impact with social enterprises and has formed a number of important partnerships particularly with technology, telecommunication and office supplies providers. These social and Bcorp certified enterprises are actively working to create better economic and social outcomes for society.

ECONOMIC PERFORMANCE

Synertec provides comprehensive disclosure of its economic performance and activities in the Review of Operations section of its Annual Report, as well as in the Half Year Business & Financial Results Overview.

TOTAL R&D EXPENSES

Synertec remains dedicated to advancing its technological capabilities through significant investment in research and development (R&D). Historically, the company has benefited from the federal government's Research and Development Tax Incentive program (R&DTI), which provides tax offsets for eligible R&D activities.

In FY25, Synertec allocated over $0.6 million towards R&D expenses, dedicated to the development of the Powerhouse technology. Additionally, the company anticipates recognizing approximately $267,789 in R&D tax incentives as other income for the year, further supporting its ongoing innovation efforts.

FINANCIAL INVESTMENT CONTRIBUTION

Synertec's financial strategies focus on strategic investment and capital allocation to support its growth and operational goals. The company's investment details, including capital expenditures adjusted for depreciation, are outlined in the Annual Report and Half Year Business & Financial Results Overview, available on its website. These documents provide insights into Synertec's approach to capital investment and its alignment with the company's strategic objectives.

Consistent with previous financial years, Synertec has not distributed dividends to shareholders, opting to reinvest capital to support its ongoing operational and strategic initiatives.

In FY25, Synertec's Powerhouse technology was operational for 99.9% of the time, enabling Santos to achieve a significant reduction in emissions. Based on results from a 2023 trial with Santos showing an 800 tCO2e reduction per year from use of this system, reported in their Sustainability & Climate Report. In 2024, three solar and battery systems were implemented. The 2,400 tCO2e reduction assumes consistent reductions with those identified in Santos' trial.

TOTAL TAX PAID

Synertec's tax contributions are detailed in the Financial Statements included in the Annual Report. The company provides a comprehensive overview of its global tax obligations, underscoring its role in supporting governmental functions and public services through its tax payments.

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PROSPERITY

SOCIAL PROCURMENT

At Synertec, we are dedicated to creating social impact through both procurement and recycling. Our recent donation of laptops to Welcome to Country, facilitated through our partnership with TechForGood Australia | B Corp™, is a crucial step in equipping Welcome to Country to provide pathways for First Nations entrepreneurs enabling greater economic independence.

By donating these laptops, we hope to enable the team at Welcome to Country to support growth and success more effectively within Aboriginal and Torres Strait Islander communities.

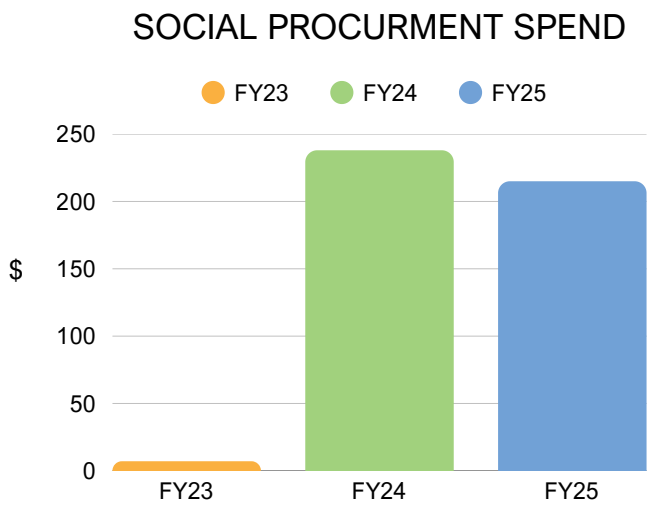
The digital divide poses significant difficulties for disadvantaged communities and not-for-profits, often hindering their ability to operate efficiently, ultimately limiting their overall social impact. At Synertec, we understand that bridging the gap is essential to foster equality and inclusion.

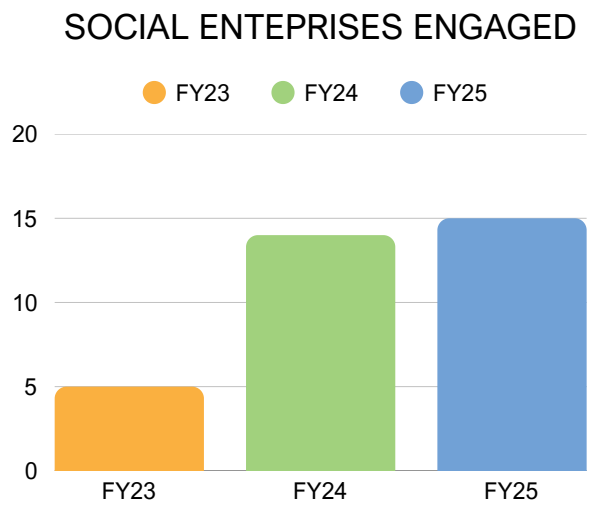
RECYCLING INITIATIVES

Synertec repurposes equipment where possible. Through partnerships with social enterprises like Welcome to Country, (see above), where we have donated laptops to enable them to continue their work preserving indigenous culture.

We have repurposed end of commercial life computers, and sold them raising $3,600. These funds have been donated to the Cancer Council and Friends with Dignity.

Synertec also partnered with Recycle4Change, a Certified Social Enterprise and a Registered Charity recycling bottles and cans.





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GOVERNANCE

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GOVERNING PURPOSE

Synertec was established in 1996, ASX listed in 2017 and operates today as a successful diversified growth company working in the Water, Transport, Life Sciences, Energy, Resources, Defence and Manufacturing sectors of our economy. Our Powerhouse Technology is an AI-powered smart industrial scale technology that provides clean renewable power to both microgrids and grid support applications for our customers reducing their reliance on fossil fuel alternatives.

The rollout of Powerhouse across key industrial sectors will assist our partners transition to a zero-carbon future. Powerhouse ensures high availability of industrial power and can integrate with various renewable energy sources, to provide customers with reliable, clean and renewable power. Synertec is dedicated to helping our partners towards a low emission future and has a strategic focus on developing and commercialising environmentally friendly and energy efficient technologies.

GOVERNING BODY COMPOSITION

The company welcomed Mr Johannes Risseeuw as independent non-executive Chair on 28 February 2025 and thanked Mr Dennis Lin as outgoing Chair and non-executive director for his year of service. Additionally, Mr David Harris, former CFO and executive director retired from both positions to take up a new challenge leading Synertec's Technology and Future Business group responsible for the expansion of Powerhouse.

The board continues to have a broad and relevant skill set appropriate to fulfill its fiduciary requirements. To ensure this is the case, the board conducted a skills matrix assessment, and this exercise confirmed the collective skill set of the board is appropriate and has considerable strengths in key areas essential for the success of the company.

While the board has diversification of experience, ethnicity and skills, it is lacking female representation. It is the board's ambition to remedy this when next the opportunity arises.

GOVERNANCE

STAKEHOLDER CONSULTATION

The Board and senior leaders have an ongoing dialogue with shareholders. There are regular shareholder briefings to advise of company updates and achievements. Information is also provided through ASX announcements. The company has an active social media presence via our Synertec.com.au website and LinkedIn Account.

ANTI CORRUPTION

There were no reported incidents of corruption during FY25. Synertec remains vigilant in the way it works with stakeholders and suppliers and the design of the systems, internal controls and training to support the Company to continue to guard against this issue. Synertec's Code of Conduct and Securities Trading Policy further strengthen this approach.

PROTECTING ETHICAL BEHAVIOUR

Synertec's Whistleblower Policy, introduced in 2023, establishes a comprehensive framework for reporting unethical or illegal activities, under- scoring the Company's commitment to ethical conduct and transparency. During FY25, Synertec has not recorded any instances of concerns under this policy.

RISK AND OPPORTUNITY OVERSIGHT

In FY25 Synertec successfully maintained all of their International Organisation of Standardisation (ISO) accreditations including ISO27001 (Information Security Management), ISO9001 (Quality), ISO45001 (Occupational Health and Safety) and ISO14001 (Environment).

These processes include regular materiality assessments, independent auditing and ongoing stakeholder information and consultation.

Synertec's ongoing commitment to the accreditation process ensure that risks, opportunities and material issues impacting stakeholders are continually assessed and addressed and further improvements identified and implemented. The Company also works with specialist auditors and consultants in these areas.

As an ASX Listed company Synertec adheres to listing rules which determine disclosure practices and stakeholder engagement. Grant Thornton remain our independent audit conducting yearly and half yearly reviews. General Stakeholder engagement remains consistent with previous years and reflects the value placed on these relationships.

The Board and Audit and Risk Committee continues to play a key role in advising on and upholding a comprehensive framework approach towards internal control, risk management and governance standards. This Committee also looks to the evolution of the framework and improvement opportunities. A new process has been introduced for evaluating vendors and suppliers, ensuring continued adherence to Synertec's Modern Slavery policy, ISO 27001 and data security requirements.

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SYNERTEC BOARD

Johannes Risseeuw

Independent Non-Executive Director
Chair

Mr. Johannes Risseeuw brings a wealth of leadership and corporate experience to the board. He is a highly skilled Company Director with a strong track record in corporate strategy, governance, and mergers and acquisitions. Johannes' most recent role was as Executive Chair of ASX-listed Damstra Technology (Damstra), where he led the company through its successful listing on the ASX and IPO in October 2019.

Mr. Risseeuw has been part of the Synertec Board since 29 October 2024, and becoming Independent Non-Executive Chair on 28 February 2025. Mr. Risseeuw is also Non-Executive Director of ASX listed SciDev, joining that Board 1 April 2025. SciDev provide specialty chemistry and water treatment technologies across heavy industry. His previous experience includes significant roles such as Director of Shell Australia and Vice-President of Mergers & Acquisitions, where he was instrumental in numerous high-profile transactions across the Asia-Pacific and Middle East regions.

Mr. Risseeuw also served as Chief Investment Officer at Questus Energy, where he focused on acquiring oil and gas assets, and as Chief Operating Officer at Skilled Group Limited, a major Australian labour-hire company. Mr. Risseeuw is also an Independent Non-Executive Director of US-based Data Analytics company, FanPlayr Inc. a technology company which optimises the performance of customer data traffic by delivering personalised multichannel customer experiences leveraging behavioural data.
Other Current Directorships include:

- Non-Executive Director – US based technology company FanPlayr Inc

Michael Carroll

Managing Director
Chief Executive Officer

Mr. Carroll is a founding principal, Managing Director and Chief Executive Officer and a significant beneficial owner of Synertec. He is an accomplished leader, business founder and technology entrepreneur with deep expertise in complex Engineering. He has overseen the growth of Synertec from an engineering startup in 1996, to a publicly listed company in 2017.

His experience includes the development of an international division within Synertec, with the development and subsequent divestment of two engineering / consulting businesses in Asia. Today Synertec proudly employs over 100+ of Australia's great engineering talents who are driving the world's transition to the economy of the future through smart engineering control systems.

At the heart of Synertec's growth has been his longstanding commitment to delivery excellence, and building enduring client relationships and industry partnerships. He is known for his ability to engage stakeholders with strong communication and collaboration skills to create cohesive, empowered teams that thrive on working together to solve complex engineering challenges.

Mr. Carroll is a member of the Australian Institute of Company Directors and holds a Degree in Applied Science (Applied Chemistry) and a postgraduate qualification in Chemical Engineering, and has undertaken AI studies at the University of Sydney.

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SYNERTEC BOARD

Peter Lamell

Independent Non-Executive Director

Mr. Lamell has extensive practical experience across the energy, power, resources, services, technology and telecommunications sectors. This includes over twenty-five years working with Royal Dutch Shell in a number of senior strategic, operational and executive roles in Australia, Asia, Europe and North America including membership of the Board of Shell Australia. He has since been CEO of a number of successful business turnarounds and a start-up in a range of industries with a prime focus on building shareholder value. He has developed strong and extensive business networks in the aforementioned and related industry sectors.

Mr. Lamell is a fellow of the AICD and has served on over 25 Boards across commercial and social enterprise sectors. He provides strong, practical expertise in Sales/Marketing, BD, Strategy, M&A, Cultural Change, Team Leadership, Sustainability, Digital Transformation and building Governance, Safety and Risk Management processes. In doing this, he has become adept in identifying key issues within organisations and in developing practical solutions to deliver significantly increased shareholder value.

Mr. Lamell has a Senior Executive MBA from the Melbourne Business School, completed the Corporate Finance Program at London Business School and has a honours degree in Chemistry. Building on his passion for Sustainability/ESG and Digital Transformation, he has completed a course in Business Sustainability Management at the University of Cambridge and a course in AI at the University of Sydney.

Ian Campbell

Independent Non-Executive Director

Mr. Campbell is an experienced financial services professional with an extensive and demonstrated history of working and executing transactions, and as a trusted advisor to corporate Australia. Skilled in debt capital markets, strategy, risk management, and corporate finance, Mr. Campbell brings a diverse and highly qualified sustainability experience to the Board of Synertec.

Mr. Campbell finished his 23 year banking career in October 2023, leaving his most recent job at Citi as Managing Director, Vice Chair Debt Capital Markets and Head of Sustainability & Corporate Transition for Australia and New Zealand. Mr. Campbell developed and finessed his skills across the full range of Sustainability advisory, regulation and disclosure and green financing structures, a wealth of connections throughout corporate Australia's senior leaders.

Most recently, Mr Campbell added CEO of a zero emissions truck Conversion business called Janus Electric (ASX:JNS) to his portfolio of experience and knowledge of Renewables, Battery and Energy. Mr. Campbell holds a Bachelor of Commerce from the Australian National University and has completed a Towards Net Zero Emissions course at Cambridge University that has assisted in growing his expertise and contacts across sustainability funding and ESG advisory. Mr Campbell is a graduate of the Australian Institute of Company Directors.

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Financial Report

FOR THE FINANCIAL YEAR ENDED

30 June 2025

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Synertec Corporation Limited
ARBN 161 803 032
[ASX:SOP]

Corporate Directory

Directors	Mr. Johannes Risseeuw (Independent Non-Executive Director, Chair) Mr. Michael Carroll (Managing Director) Mr. Peter Lamell (Independent Non-Executive Director) Mr. Ian Campbell (Independent Non-Executive Director)
Company Secretary	Mr. Stefan Ross Vistra (Australia) Pty Limited Suite 902, Lvl 9, 146 Arthur St North Sydney, NSW 2060, Australia
Principal registered office in Bermuda	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Registered agent office in Australia	Synertec Corporation Limited 2-6 Railway Parade Camberwell VIC 3124 Australia Telephone: +(61 3) 9274 3000
Share registry	Boardroom Pty Limited Grosvenor Place Level 8, 210 George Street Sydney, NSW 2000 Australia Telephone: 1300 737 760 (within Australia) +(61 2) 9290 9600 (outside Australia) Facsimile: +61 2 9279 0664
Auditor	Grant Thornton Audit Pty Ltd Collins Square Tower 5 727 Collins Street Melbourne VIC 3008 Australia
Stock exchange listing	Synertec Corporation Limited shares are listed on the Australian Securities Exchange (ASX) ASX Code: SOP (fully paid ordinary shares)
Corporate Banker	ANZ ANZ Centre Level 9, 833 Collins Street Docklands VIC 3008 Australia
Website address	www.synertec.com.au

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Directors Report

The Directors present their report together with the financial statements of the consolidated entity for the year ended 30 June 2025.

1. DIRECTORS

The following persons were directors of Synertec Corporation Limited during or since the end of the financial year and up to the date of this report:
Mr. Johannes Risseeuw (Independent Non-Executive Director, Chair) - appointed on 29 October 2024
Mr. Michael Carroll (Managing Director)
Mr. Peter Lamell (Independent Non-Executive Director)
Mr. Ian Campbell (Independent Non-Executive Director)
Mr. Dennis Lin (Independent Non-Executive Director, Chair) - retired on 28 February 2025
Mr. David Harris (Executive Director) - retired at conclusion of 2024 AGM on 28 November 2024

1.1 Information on Directors

MR. JOHANNES RISSEEUW - INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIR

Mr. Johannes Risseeuw brings a wealth of leadership and corporate experience to the board. He is a highly skilled Company Director with a strong track record in corporate strategy, governance, and mergers and acquisitions. Mr. Risseeuw most recent role was as Executive Chair of ASX-listed Damstra Technology (Damstra), where he led the company through its successful listing on the ASX and IPO in October 2019. Mr. Risseeuw has been part of the Synertec Board since 29 October 2024, and becoming Independent Non-Executive Chair on 28 February 2025. Mr. Risseeuw is also Non-Executive Directors of ASX listed SciDev, joining that Board 1 April 2025. SciDev provide specialty chemistry and water treatment technologies across heavy industry

His previous experience includes significant roles such as Director of Shell Australia and Vice-President of Mergers & Acquisitions, where he was instrumental in numerous high-profile transactions across the Asia-Pacific and Middle East regions. Mr. Risseeuw also served as Chief Investment Officer at Questus Energy, where he focused on acquiring oil and gas assets, and as Chief Operating Officer at Skilled Group Limited, a major Australian labour-hire company. Johannes is also an Independent Non-Executive Director of US-based Data Analytics company, FanPlayr Inc. a technology company which optimises the performance of customer data traffic by delivering personalised multichannel customer experiences leveraging behavioural data.

MR. PETER LAMELL - INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lamell has extensive practical experience across the energy, power, resources, services, technology and telecommunications sectors. This includes over twenty-five years working with Royal Dutch Shell in a number of senior strategic, operational and executive roles in Australia, Asia, Europe and North America including membership of the Board of Shell Australia. He has since been CEO of a number of successful business turnarounds and a start-up in a range of industries with a prime focus on building shareholder value. He has developed strong and extensive business networks in the aforementioned and related industry sectors. Mr. Lamell is a fellow of the AICD and has served on over 25 Boards across commercial and social enterprise sectors.

He provides strong, practical expertise in Sales/Marketing, BD, Strategy, M&A, Cultural Change, Team Leadership, Sustainability, Digital Transformation and building Governance, Safety and Risk Management processes. In doing this, he has become adept in identifying key issues within organisations and in developing practical solutions to deliver significantly increased shareholder value. Mr. Lamell has a Senior Executive MBA from the Melbourne Business School, completed the Corporate Finance Program at London Business School and has a honours degree in Chemistry. Building on his passion for Sustainability/ESG and Digital Transformation, he has completed a course in Business Sustainability Management at the University of Cambridge and a course in AI at the University of Sydney.

MR. IAN CAMPBELL - INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Campbell is an experienced financial services professional with an extensive and demonstrated history of working and executing transactions, and as a trusted advisor to corporate Australia. Skilled in debt capital markets, strategy, risk management, and corporate finance, Mr. Campbell brings a diverse and highly qualified sustainability experience to the Board of Synertec.

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Directors Report

1. DIRECTORS (continued)

MR. IAN CAMPBELL - INDEPENDENT NON-EXECUTIVE DIRECTOR (continued)

Mr. Campbell finished his 23 year banking career in October 2023, leaving his most recent job at Citi as Managing Director, Vice Chair Debt Capital Markets and Head of Sustainability & Corporate Transition for Australia and New Zealand. Mr. Campbell developed and finessed his skills across the full range of Sustainability advisory, regulation and disclosure and green financing structures, a wealth of connections throughout corporate Australia's senior leaders. Most recently, Mr Campbell added CEO of a zero emissions truck Conversion business called Janus Electric (ASX:JNS) to his portfolio of experience and knowledge of Renewables, Battery and Energy. Mr. Campbell holds a Bachelor of Commerce from the Australian National University and has completed a Towards Net Zero Emissions course at Cambridge University that has assisted in growing his expertise and contacts across sustainability funding and ESG advisory. Mr Campbell is a graduate of the Australian Institute of Company Directors.

MR. MICHAEL CARROLL - EXECUTIVE DIRECTOR

Mr. Carroll is a founding principal, Managing Director and Chief Executive Officer and a significant beneficial owner of Synertec. He is an accomplished leader, business founder and technology entrepreneur with deep expertise in complex Engineering. He has overseen the growth of Synertec from an engineering start up in 1996, to a publicly listed company in 2017. Today Synertec proudly employs over 100+ of Australia's great engineering talents who are driving the world's transition to the economy of the future through smart engineering control systems. At the heart of Synertec's growth has been his longstanding commitment to delivery excellence, and building enduring client relationships and industry partnerships. Mr. Carroll is a member of the Australian Institute of Company Directors and holds a Degree in Applied Science (Applied Chemistry) and a postgraduate qualification in Chemical Engineering, and has undertaken AI studies at the University of Sydney.

1.2 Directors' interest in shares and options

	Interest in Ordinary Shares
Independent Non-Executive Directors:	
Johannes Risseeuw (Chair)	4,369,700
Peter Lamell	1,083,501
Ian Campbell	589,000
Executive Director: Michael Carroll (Managing Director)	42,398,496

Mr. Michael Carroll is the beneficial owner of 100% of the benefits and rights in the Pinnacle (MCGA) Retirement Fund, which in turn owns 100% of the ordinary shares in Kensington Trust Singapore Ltd which is the registered holder of 42,398,496 shares in Synertec Corporation Limited and is the largest individual shareholder in the Company.

2. PRINCIPAL ACTIVITIES

Synertec is a technology and engineering company enabling a low carbon future through innovative and sustainable solutions. Commercialising scalable, environmentally friendly and energy efficient technology for global markets in energy, critical infrastructure and advanced manufacturing through innovative partnerships with a portfolio of blue-chip customers, Synertec is proactively participating in the world's transition to a low carbon economy in a practical way for the benefit of future generations. In doing so, Synertec is a provider of engineering products and solutions which typically incorporate complex automated and highly instrumented systems and processes designed to enhance clients' productivity, efficiency and safety. These services are provided across Australia and overseas through offices in Melbourne and Perth.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes noted in the year ended 30 June 2025.

Directors Report

4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS

Profit and loss performance

Summary Profit & Loss Performance	FY25 ($'000s)	FY24 ($'000s)	$ Change ($'000s)		% Change	
Total Revenue & Other Income	18,210	**19,793**	Down	(1,583)	Down	8%
External Engineering Revenue	15,510	**17,878**	Down	(2,368)	Down	13%
External Technology Revenue	2,037	**1,074**	Up	963	Up	90%
Normalised EBITDA	(2,778)	**(3,267)**	Up	489	Up	15%
EBITDA	(5,796)	**(6,052)**	Up	256	Up	4%
Normalised Net Loss After Tax Net	(4,624)	**(4,112)**	Down	512	Down	12%
Loss After Tax	(7,643)	**(7,258)**	Down	385	Down	5%

Synertec generated external revenue and other income for the year ended 30 June 2025 ("FY25", or "year") of $18.2 million, representing a decrease of 8% on the prior comparable period ("pcp") (30 June 2024: $19.8 million). This result reflects a temporary slowdown in Engineering during the first half of the year, partially offset by continued momentum in Technology revenue, which increased by 90% to $2.0 million (30 June 2024: $1.1 million).

Engineering's external revenue made up of consultancy and fixed priced projects declined by 13% to $15.5 million (30 June 2024: $17.9 million), primarily due to timing delays in project commencements and a softer market environment in the first half of the financial year. Despite this, the Engineering consultancy revenue continued its upward trajectory for the fourth consecutive year, delivering $14.3 million at sustained strong gross margins, an increase of 4% on pcp (30 June 2024: $13.8 million). This represents a cumulative increase of 171% over the four years since FY21 in this category of revenue.

Consultancy services now represent over 90% of total engineering revenue from external customers, underscoring the success of our strategic focus on long-term programs of work with major clients. This deliberate shift away from fixed price projects continues to de-risk the business from cost overruns and supports higher margins.

Powerhouse contributed $2.0 million in revenue for the year (30 June 2024; $1.1million), up 90% on the prior year.

The Board assesses the underlying performance of the business based on measures of Earnings Before Income Tax Depreciation Amortisation ('EBITDA') and Normalised EBITDA which excludes the effect of non-operating and non-recurring items. A reconciliation between Net Profit / (Loss) After Tax and Normalised EBITDA is outlined in the table below.

Reconciliation of normalisations	FY25 ($'000s)	FY24 ($'000s)
Net Profit / (Loss) After Tax	**(7,643)**	(7,258)
Depreciation and amortisation	**977**	1,075
Net finance costs	**869**	131
EBITDA	**(5,796)**	(6,052)
Corporate development[1]	**553**	1,026
Restructuring initiatives[2]	**782**	859
Bid Development and Growth bench[3]	**758**	-
Net Technology research and development ('R&D') costs[4]	**925**	900
Normalised EBITDA	**(2,778)**	(3,267)
Net Profit / (Loss) After Tax	**(7,643)**	(7,258)
EBITDA normalisations (refer above)	**3,019**	2,785
Amortisation of Greentech licence	**-**	362
Normalised Net Profit / (Loss) After Tax	**(4,624)**	(4,112)

[1] Included within Business and corporate development expenses in the statement of profit or loss.
[2] Included within Other expenses and Employee benefit expenses in the statement of profit or loss.
[3] Included within Employee benefit expenses in the statement of profit or loss.
[4] Included within Other income, Technology research and development costs in the statement of profit or loss.

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4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS (continued)

Normalised EBITDA excludes costs which are discretionary in nature and incurred in pursuit of strategic long-term growth opportunities, as well as activities and expenses not considered typical ongoing operational overheads for the business. These adjustments ensure a clearer view of underlying performance.

Corporate development costs amounted to $0.6 million (30 June 2024: $1.0 million), reflecting a more targeted approach to marketing. These costs included corporate-led initiatives such as trips to China by Board members and Executives to explore supply chain efficiency and cost reductions. This strategy was aimed at expanding commercial opportunities like MOUs with battery manufacturers and other major suppliers for the Group.

Segment performance

From 1 July 2021, the Group has been structured into two key areas of operation, being Engineering Solutions ('Engineering') and Technology and Future Business ('Technology'). These two divisions/segments are managed separately as each requires different skills, technologies, marketing approaches and other resources. This is the basis on which information is internally provided to the Chief Operating Decision Makers ('CODMs') for assessing performance and making operating decisions. All inter-segment services and materials are conducted at arm's length prices based on prices charged to external customers for identical goods or services.

The Corporate area of the Group, which is a cost centre, includes the Board and Executives which oversee the function and strategic direction of Engineering and Technology, as well as the governance and operation of the public ASX-listed head company, Synertec Corporation Limited. The activities of the head company include governance oversight, corporate development, investor relations and other functions associated with the operation, governance and regulatory compliance of the Group's head company.

	FY25			FY24		
	Engineering ($'000s)	**Technology ($'000s)**	**Total ($'000s)**	**Engineering ($'000s)**	**Technology ($'000s)**	**Total ($'000s)**
Revenue & Other Income	**18,209**	**2,315**	**20,524**	21,158	1,566	22,724
Segment Normalised EBITDA	**2,210**	**(1,789)**	**421**	773	(1,183)	(410)
Net Profit / (Loss) After Tax	**3,330**	**117**	**3,447**	26	(3,756)	(3,729)

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4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS (continued)

Engineering Business

Total revenue for the Engineering business declined 14% to $18.2 million (30 June 2024: $21.1 million). This includes services and materials provided to the Technology business of $2.4 million (30 June 2024: $3.1 million) contributing to the development of the Group's three key environmentally friendly technology solutions to help global industry transition to a low carbon future. All inter-segment services and materials are conducted at arm's length prices based on prices charged to external customers for identical goods or services.

The first half of the year was marked by a broader industry slowdown, prompting decisive action to recalibrate our operations. The Engineering business experienced a clear contrast between the first and second halves of the financial year. A subdued start necessitated several difficult but strategic decisions to resize the business in September and October. This included a strategic reduction in workforce, rationalisation of overheads, and optimisation of our skills matrix to align with the evolving pipeline of opportunities. These cost-out initiatives resulted in $2.5 million in annualised savings and positioned the business for a more agile and efficient second half.

Despite a reduction in total revenue compared to the prior year, the Engineering division has demonstrated its resilience and maturity, operating as a profitable business line. Normalised EBITDA for the year was $2.2 million (30 June 2024: $0.8 million), reflecting the strength of the underlying business model and the benefits of a more focused, programmatic approach to service delivery.

The Engineering business secured over $15 million in new contracts across the year, with more than 90% of annual revenue continuing to come from our existing client base. Additionally, Synertec has strategically positioned itself for future growth through its appointments to major engineering delivery panels, particularly across the water sector.

These panel appointments provide Synertec with access to a share of an estimated $450 million in project opportunities over the next four years. This high level of repeat business and panel appointments reflects the enduring strength of our client relationships and the value delivered through our technical expertise and industry focus.

Our strategic alignment across five core sectors which include water, energy and resources, transport, life sciences, and defence and manufacturing remained central to our approach. Each sector is led by dedicated Industry Leads, ensuring close coordination between delivery of projects and business development. This structure enables us to pursue cross-sector opportunities and deliver integrated, multi-disciplinary and specialised solutions tailored to client needs.

A key priority throughout FY25 was strengthening relationships with our key accounts. Our Key Account Management Program continues to drive deeper engagement with repeat customers, helping us grow within these accounts and deliver greater value. This approach has proven instrumental in supporting our expansion and improving client outcomes. The water industry was a particularly successful focus in FY25, with Synertec making significant geographic and strategic gains.

In September 2024, Synertec was appointed to Western Australia's Water Corporation Process Control Technology Panel. As one of seven approved providers selected for this panel, Synertec is positioned to deliver advanced engineering solutions across Western Australia's extensive water infrastructure network. The panel supports long term engagement with an initial five-year term, (with the option for up to five additional one-year extensions), and potential for up to five additional one-year extensions. Water Corporation manages an asset base approximately twice the size of Melbourne Water's, presenting significant opportunities for Synertec to contribute to high-value projects. Since appointment, Synertec has successfully completed its first project on the panel.

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4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS (continued)

Engineering Business (continued)

In May 2025, Synertec was appointed to Sydney Water's SCADA and Electrical Services Panel, marking a significant milestone in the execution of its Water Industry Focus Strategy. This appointment positions Synertec among a select group of four companies entrusted with delivering advanced operational technology services across Greater Sydney. The panel provides Synertec with access to approximately $245 million in water-related project opportunities over the next five years, and also prequalifies the company to support Sydney Water's Regional Delivery Partners - key contributors to the utility's broader $34 billion infrastructure investment program spanning the next decade.

Beyond water, Synertec continued to deliver value across other sectors. In life sciences, we maintained our computer systems validation services for key Victorian clients and were appointed to two new panels with ANSTO for Control Systems Engineering Design Services and Chemical & Process Engineering Design Services. These appointments reinforce our capabilities in complex engineering environments, including radio-pharmaceuticals.

Significant power & gas contracts secured in FY25 included continued delivery of projects for APA to support expansion of the gas network in Australia. Synertec continued to deliver projects for Jemena's northern gas pipeline, a system Synertec has supported for over 7 years. Synertec designed and built systems for Woodside to significantly improve their environmental reporting.

In the rail sector, Synertec expanded its role on the Metro Tunnel Project, providing testing, commissioning, and completions for control and monitoring systems at new stations. We also supported cybersecurity and networking initiatives, demonstrating our technical depth in transport infrastructure.

Synertec's Engineering business enters FY26 with renewed momentum and a "laser" focus. Our strengthened position in the water sector supported by major panel appointments has validated our capability to deliver high-value, technically complex solutions across Australia's most critical infrastructure. At the same time, our continued performance across life sciences, energy and resources, transport, and manufacturing reflects our commitment to diversified growth. With a robust pipeline of opportunities and a proven track record of delivery, Synertec is well placed to support the transformation of the water industry while continuing to grow and innovate across all our target sectors.

Winner Australian Financial Review Sustainability Leaders 2025 – Best Professional Services, Engineering Advisory Firm

Synertec has been recognised by the Australian Financial Review and a distinguished panel of judges, celebrating the impact of Powerhouse. Engineered and built by Synertec's in-house team with deep expertise in automation, controls and electrical engineering, this is a major milestone that reflects 30 years of purpose driven solutions for industry.

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4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS (continued)

Technology Business

Powerhouse

Powerhouse is a renewable, standalone, grid-forming, microgrid power system for industrial–scale applications in remote areas and extreme weather conditions. It has proven to be:

- Cost effective
- Reliable and sustainable
- Flexible and scalable
- AI-enabled with highly accurate Predictive Intelligence
- Portable

The Company is pleased to report that it has continued to advance global patent applications and is nearing completion of these processes. If successful, this will protect and add value to the unique Powerhouse system intellectual property developed and commercialised by the Group over several years.

Mr David Harris (former Synertec CFO and Executive-Director) agreed to head up the Technology business, including Powerhouse following the Company's 2024 Annual General Meeting. In his new role Mr. Harris will oversee, manage, drive sales and develop and implement plans for an expanded roll-out of Powerhouse.

A major focus of the Powerhouse team was to engage more deeply with advanced global technology suppliers and manufacturers in low-cost jurisdictions to ensure an adequate, resilient, reliable, and cost-competitive supply chain, crucial for maintaining operational efficiency and cost competitiveness.

When combined with highly skilled local partners, Powerhouse is delivering significant cost savings over traditional remote power generation systems. The Team is responding to many significant opportunities for Powerhouse, many of which have matured and are expected to deliver awards in FY26.

Notably, discussions with key global energy companies have advanced through project and investment approval stage gates, with Powerhouse strongly placed as a solution provider to major operational transformation projects. The discussions and Client internal processes are complex and thorough due to the size of the potential investment and global company governance and investment decision processes. However, Synertec has been able to provide critical focus to this and for example, work alongside customer teams to assist with commercial and technical studies to input into Client business case and modelling processes for investment committee consideration.

Following Synertec's announcement of the expansion of its Powerhouse technology offerings into two distinct product streams; Powerhouse Standalone Power and the newly introduced Powerhouse Grid Support, Synertec has experienced inbound opportunities in the DNSP sector and the team has been actively bidding in H2 FY25 on several large tenders for Stand Alone Power Systems ('SAPS'), microgrids, and grid firming solutions across Australia. Additionally, after an extensive technical qualification process, Synertec was invited onto the Essential Energy Stand Alone Power System ('SAPS') and Microgrid supplier panels, which enables preferred supplier status and access to tenders.

Building market recognition

Strategic focus of resources on key business development activities has also enabled the team to exhibit and present as a subject matter expert in renewable power systems and microgrids at some of Australia's key annual industry conferences in 2025, including the Australian Energy Producers Conference and Exhibition, and the Smart Energy Council Conference. This has grown Synertec's brand and recognition of capability amongst target industries and driven inward bound sales enquiries.

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4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS (continued)

Powerhouse (continued)

Key milestones during the year

Powerhouse delivered on a number of key milestones during the year, including:

- **Celebrating 5 years of continuous power delivered fossil-fuel free**

We are proud that total combined runtime of multiple Powerhouse units for Santos now exceeds 5 years at 99.9% availability, including across 4 operational sites. Further, there have been zero maintenance call-outs during their operation, we now know that Powerhouse has delivered on all of the agreed 23 KPI's, and is proven to provide Santos with lower operating costs and risk.

- **Strategic Partnerships**

Synertec Board and management made multiple trips to China to engage with a range of key component suppliers and manufacturers pursuing more competitive pricing on advanced battery technology that better meets the demands of Powerhouse's target applications. This supply chain strategy seeks to deliver greater reliability, service life and significant cost savings, increasing both technological and commercial competitive advantage. In Q4 Synertec entered two strategically important Memorandum of Understanding ('MOUs') with global battery suppliers and renewable energy system solution providers:

1. Ritar International Group (Ritar) - to access cutting-edge technologies, streamline manufacturing for rapid large-scale delivery, and access to new markets. Under the MOU, the companies will partner to;

- integrate Ritar's advanced battery technology and manufacturing operations into Powerhouse;
- optimise elements of Powerhouse to ensure its manufacture and delivery is streamlined, cost effective and can be manufactured at a rate of 1 battery unit per day
- deliver hundreds of units annually at a significant discount to current costs

The MOU is effective for 12 months, with the parties intending to enter into further agreements for project delivery, procurement and longer-term supply of advanced products. The MOU enables Powerhouse to deploy its smart renewable microgrid technology at a rate not previously achievable to ensure reliable, cost effective and emission-free power in remote areas.

2. Battery Supply Our extensive engagement with potential clients and global suppliers consistently confirms the unique capability of the Powerhouse standalone, grid-forming control system. This has been recognised by the world's largest battery manufacturer, resulting in their approach to Synertec to form a partnership, under MOU, which will leverage their advanced battery technology, manufacturing capacity and access to major projects.

This partnership will enable Synertec to participate in utility scale solutions requiring sophisticated control systems to deliver large energy demands, while also leveraging off their business development activities in Australia for smaller scale projects which Synertec is a recognised specialist in delivering. Synertec is well advanced in these discussions and expects to be in a position to provide further updates in FY26.

3. Phnxx Pty Ltd – During Q3 FY25, the company announced a strategic partnership and investment in PHNXX Pty Ltd ("PHNXX"), a Victorian company targeting small, low-cost, non-critical agricultural applications for its unique, containerised Battery Energy Solar System.
PHNXX is focused on different target markets than Powerhouse, where there are smaller, less critical applications, that are either grid supported or have a generator back-up and are priced very competitively. Synertec and PHNXX see benefits in the Strategic Partnership in the following areas:

- Software as a Service: Synertec Engineering will adapt certain Powerhouse control system modules for use in PHNXX systems for a mixture of upfront and recurring revenue. Synertec expects Software as a Service to be a recurring income stream.
- Exposure to large market segments not targeted by Synertec: PHNXX will target agriculture, including dairy farms and applications that have sizable cool rooms.
- Remote communities are also expressing interest in the PHNXX technology. The market opportunity for small applications is large and identifiable.

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4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS (continued)

Powerhouse (continued)

Strategic Partnerships (continued)

- Cross Company Sales Cooperation: The collaboration will allow Synertec to refer and recommend PHNXX applications and earn upfront and recurring revenue from the licensing of the modified Powerhouse control system installed on each PHNXX unit sold (Licensed Product). Conversely, PHNXX will refer and recommend opportunities that are more suited to Powerhouse. This cross-referral arrangement will expand the opportunities for each company by having both company's sales teams focussed on selling the broader range of products.

Under the Strategic Partnership, Synertec will be entitled to 50% of the gross profit that PHNXX earns from the sale or lease of the Licensed Products to a customer referred by Synertec; and a one-off integration fee and an ongoing annual subscription fee for each Licensed Product (whether referred or not) that is sold or leased. The Strategic Partnership is an evergreen arrangement and has no fixed term.

- **Key Deployment Activities**

During the year, further Powerhouse systems were deployed in the Roma area, Queensland for Santos. As part of routine operations, a Powerhouse system was successfully re-deployed following two years of successful operation and confirmation of CSG well economics for Santos. The wells were deemed economic and as a result, grid-connected for long term supply to GLNG processing facilities.

The Powerhouse unit was then serviced and upgraded to incorporate all lessons learnt before re-deployment to a new Santos development site in Queensland during Q4 FY25.

Santos have confirmed that after years of successful operation in the field, the Powerhouse system has enabled Santos to reduce well appraisal time and significantly reduce costs. The Powerhouse system has now been identified as a reliable and economic system for other potential applications within Santos' operations.

- **Site Deployment Accreditation**

Synertec undertook a significant accreditation process to achieve Mode 2 safety compliance with Santos which will enable Synertec to manage all Powerhouse site installation and commissioning works on Santos sites. This will substantially reduce deployment costs and streamline site activities as Synertec will have direct control for the new deployment activities from FY26 onwards.

LNG Custody Transfer System

Synertec's unique and highly specialised, compact and accurate LNG fiscal Custody Transfer System (CTS) gained US Patent approval during the year, which is expected to expedite subsequent approvals in other major jurisdictions. The CTS technology precisely calculates the monetary value of a cargo of LNG.

The patented system is applicable to both land based and marine installations because of its compact design and ability to deal with line pressure fluctuations that render traditional systems inaccurate. A typical cargo of LNG is circa. $20m to $30m so inaccuracies can result in significant lost revenue on each cargo, which is compounded over multiple cargos. While Synertec's focus has been, and will remain on multi-Powerhouse orders, the growing realisation of LNG in the future global energy mix has resulted in a growing number of CTS enquiries.

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Directors Report

4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS (continued)

Capital Management

Balance Sheet	FY25 ($'000s)	FY24 ($'000s)	$Change ($'000s)		% Change	
Total Assets	**16,877**	20,445	Down	3,568	Down	17%
Cash at Bank	**3,699**	6,419	Down	2,720	Down	42%
Net Assets	**4,806**	12,054	Down	7,248	Down	60%

Total Assets of $16.9 million (30 June 2024: $20.4 million) and Net Assets of $4.8 million (30 June 2024: $12.1 million) includes cash of $3.7 million (30 June 2024; $6.4 million). Movement in Net assets reflects a combination of reduced asset holdings and an increase in total liabilities, particularly in interest-bearing and lease-related obligations.

The use of cash highlights the Group's investment in long-term growth initiatives and infrastructure, which are expected to yield long term revenue opportunities in future periods. While the cash position has softened, it remains sufficient to support liquidity requirements and ongoing operational commitments.

Cash Flow	FY25 ($'000s)	FY24 ($'000s)	$ Change ($'000s)		% Change	
Cash receipts from customers	**19,315**	20,905	Down	1,590	Down	8%
Net cash used in operating activities	**(4,072)**	(6,194)	Down	2,122	Down	34%
Net increase/(decrease) in cash	**(2,720)**	(4,235)	-	-	-	-

The Group's cash receipts from customers was $19.3 million (30 June 2024: $20.9 million), down 8% on pcp in line with reduced external revenue and debtor-days remain within the Group's 30-40 day target range. The Company continues to manage cash prudently and maintains a strong working capital and liquidity position.

The overall net cash flow for the year was a decrease in cash held of $2.7 million. This included:
i) Cash used in operations, interest paid and corporate development costs of $3.9 million (30 June 2024; $5.4 million) and the installation and upgrade of Powerhouse systems amounting to $1.6 Million (30 June 2024; $4.7 million).

ii) proceeds of $3.5 million drawdown from the Altor facility that validated the bankability of Powerhouse and help provide capital flexibility to drive improved financial performance, deliver returns to shareholders and minimise dilution.

The net operating cash outflow of $4.1 million (30 June 2024: $6.2 million outflow) comprised net cash used in operations as follows:

Net operating cash flows ($'000s)	Engineering	Technology	Corporate	Total
FY25	**1,394**	**(2,135)**	**(3,331)**	**(4,072)**
FY24	535	(4,790)	(1,939)	(6,194)
Variance	859	2,655	(1,392)	2,122

The Engineering business continued positive operating cash flow for the third year in a row. This is being driven by continuous uplift in gross margins over the past three years, reduction in overhead expenses, as well as managing cash prudently by keeping debtor-days minimised (a product of the transition to consultancy services(90%), and maximising working capital for the benefit of the Group's businesses). Cash outflow for the Engineering business was mainly utilised to support the industry lead business development strategy. As outlined in the table above, the combined net operating cash flow of the business has increased by $2.1 million against the pcp.

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4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS (continued)

Outlook

For our Engineering business, FY25 has been a year of change and challenge. We have remained focused on our long-term strategy of targeting sectors with strong, enduring tailwinds and sustainable growth prospects. Our strategy is working as evidenced when comparing the Engineering business' FY25H1 and FY25H2. Even though the rebound is positive, we are yet to see the full impact from our multiple engineering panel awards achieved in FY25. When coupled with our existing panel contracts and enviable track record with repeat business, and the pipeline of work contained within the panels, the Engineering business is well positioned for significant growth in FY26 and beyond.

Powerhouse revenue grew $1.1m FY24 to $2m FY25, an increase of 90%. The team has worked hard to expand market awareness and to develop installation capability for future potential works on Santos sites. We can now reference that collectively Powerhouse has delivered over 5 years of industrial power at greater than 99.9% availability in remote Queensland for Santos.

Consequently, we are glad to report that we are seeing a significant increase in customer interest and several clients poised to make investment decisions. With our work to secure global technology players into our supply chain, we can now deliver a very cost-effective, technologically advanced solution at the scale industry requires. The short to medium term outlook is exciting.

ESG Reporting

In FY25, Synertec strengthened its commitment to integrating ESG principles into its core business strategy, continuing to align with the World Economic Forum's 21 core metrics. This marks the fifth consecutive year of ESG reporting under the WEF framework, reflecting Synertec's dedication to transparency, accountability, and measurable progress. The Company's strategic focus remains on enabling a low-emission future through its Powerhouse technology and engineering solutions deployed across critical sectors including Water, Transport, Energy and Resources, Life Sciences, Defence and Manufacturing.

Synertec's efforts in FY25 were anchored in all three pillars: Environment, Social, and Governance. The Company continues to promote a workplace culture that values diversity and inclusion, supported by targeted initiatives and policies that foster equality, representation, and employee wellbeing. Governance remains a priority, with a Board that brings a broad range of expertise and perspectives to guide Synertec's strategic direction and uphold strong oversight.

Synertec's ESG activity summary for the year is as follows:

Environment

In FY25, Synertec continued to deliver on its environmental commitments through transparent emissions reporting and practical efficiency gains. Scope 1 emissions totalled 2,548 tCO_2e, a decrease from 4,008 tCO_2e in FY24, while Scope 2 emissions dmore than halved, dropping from 267 tCO_2e in FY24 to 106.6 tCO_2e in FY25. Total emissions for the year stand at 2951tCO_2e. Powerhouse technology maintained 99.9% uptime, helping Santos cut 2,400 tonnes of CO_2e annually across three sites.

Social

In FY25, Synertec continued to build on its commitment to social responsibility through inclusive workplace practices and community-focused initiatives. The Company maintained strong representation across 35 cultural backgrounds and supported flexible work arrangements, with 95 percent of employees rating these options positively.

Synertec deepened its partnerships with B Corp certified enterprises and increasing engagement with social enterprises. Notably, the Company donated laptops to Welcome to Country through TechForGood Australia, helping First Nations entrepreneurs access vital technology and resources.

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4. REVIEW OF OPERATIONS AND RESULTS OF THOSE OPERATIONS (continued)

ESG Reporting (continued)

Social (continued)

Internally, Synertec invested in programs that foster connection and development, including the Remarkables women's network, graduate and buddy programs, and a staff-run social club. These efforts were supported by policies that promote equal opportunity and pay equity, with FY25 showing an overall improved gender pay gap of 87%.

Governance

Governance remained a key focus in FY25, with Synertec welcoming a new Chair, Mr Johannes Risseeuw. The Board continued to oversee risk, compliance, and stakeholder engagement, supported by the Audit and Risk Committee. Synertec maintained all ISO accreditations, including ISO 27001, ISO 9001, ISO 45001, and ISO 14001, reinforcing its commitment to data security, quality, safety, and environmental management.

The Company introduced a new vendor evaluation process to ensure continued compliance with its Modern Slavery policy and data security standards. There were no reported incidents of corruption or whistleblower concerns in FY25. Synertec's Code of Conduct, Securities Trading Policy, and Whistleblower Policy continue to support ethical behaviour and transparency across all operations.

5. LITIGATION

There has been no litigation in the year and to the best of the Directors' knowledge there are no circumstances that would give rise to any potential litigation relating to this same period.

6. DIVIDENDS

There were no dividends paid, declared or recommended during the current or previous financial period.

7. SUBSEQUENT EVENTS

A detailed explanation of subsequent events is covered under note 31 of the financial report.

8. LIKELY DEVELOPMENTS

Aside from the subsequent events noted above, it is not foreseen that the Group will undertake any change in its general operations during the coming financial period.

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9. MATERIAL BUSINESS RISKS

The key challenges for the Group going into FY26 are:

- Advancing the commercialisation of proprietary technology platforms and ensuring profitability across engineering programs;
- Prioritising projects and technologies that deliver sustainable returns aligned with risk appetite.
- Preserving and enhancing balance sheet resilience;

Material risks that could adversely affect the Group include the following:

Macroeconomic and Geopolitical Disruption

Global macroeconomic and geopolitical factors, including the ongoing conflict in Eastern Europe, persistent inflationary pressures, and intensifying trade disputes, continue to shape the dynamics of supply chains, influence capital markets, and affect consumer behaviour. These factors may result in delays or cancellations of projects, impacting Synertec's revenue pipeline and operational planning.

Exposure to Economic Cycles

Synertec remains exposed to fluctuations in government and private sector capital expenditure, particularly in the energy, infrastructure, and resources sectors. This was evident in FY25 with customers taking longer to make decisions than prior periods. Economic cycles driven by fiscal policy, commodity prices, and regulatory shifts may affect the timing and scale of investment in critical infrastructure, influencing demand for Synertec's services.

Labour Market Constraints

The availability of skilled labour remains a critical factor in Synertec's ability to execute projects and pursue growth. Labour shortages, particularly in engineering and technical disciplines, may lead to increased costs, reduced productivity, and pressure on project delivery. The Group continues to invest in workforce development, retention strategies, and flexible working arrangements to address these challenges.

Continuing support of Synertec from its bank and insurers

The Company and its bank and insurers undertake an annual review of the business. These reviews could reveal matters that require the bank or the Company's insurers to review their current arrangements with the Company.

Cyber security and information technology

The Group's reliance on digital infrastructure and data management systems necessitates robust cybersecurity protocols. Threats such as unauthorised access, data breaches, and system failures pose risks to business continuity and reputation. In FY25, Synertec continues to enhance its cyber resilience through its ISO 27001-certified Information Security Management System, supported by a dedicated Managed Service Provider and 24/7 monitoring.

Contract Execution and Profitability

The Group's ability to deliver projects on time, within budget, and to specification is central to maintaining customer trust and financial performance. Fixed-price contracts carry inherent risk where cost overruns or scope variations are not recoverable. Synertec continues to strengthen its commercial management framework to mitigate these risks and ensure contractual compliance. Fixed price projects remain a small part of the business.

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9. MATERIAL BUSINESS RISKS (continued)

During FY25, the Company continued to implement many initiatives to address the risks above. These initiatives included:

- The Group has refined its governance processes around project targeting and contracting strategy. A comprehensive evaluation framework is now applied to all prospective projects, ensuring alignment with strategic objectives and acceptable risk-return thresholds. This approach is complemented by a more targeted and strategic view of business development, enabling more effective allocation of resources and improved commercial outcomes.
- Synertec has made significant progress in enhancing its cyber security posture. The Group's ISO 27001-certified Information Security Management System underpins its approach to data protection and operational resilience. This is supported by investment in internal IT resources and a transition to an independent Managed Service Provider, offering 24/7 Security Operations Centre monitoring and Security Information and Event Management services. Comprehensive employee training, business continuity planning and incident response drills further reinforce Synertec's commitment to safeguarding its digital infrastructure.
- The Group has strengthened its balance sheet through a debt facility and maintains regular engagement with its banking and insurance partners. These relationships are supported by transparent communication and ongoing performance reviews.
- Risk exposure assessments are conducted to determine the appropriate level of senior management involvement in bidding decisions. Synertec's commercial management framework ensures contracts are structured to reflect prevailing market conditions, including inflationary pressures and supply chain disruptions. This framework also supports robust scope and variation management, ensuring contractual compliance and financial discipline.
- A strengthened project governance structure facilitates better monthly performance reviews, enabling early identification of projects requiring additional support. This proactive approach enhances delivery outcomes and mitigates execution risk.
- Synertec remains committed to investing in its people. Learning and development programs, alongside competency frameworks, support the growth of specialist capabilities and ensure workforce readiness. The Group maintains dedicated state-based teams in Victoria, Western Australia and Queensland, reducing reliance on interstate travel and supporting local project delivery.
- Recruitment processes have been streamlined to accelerate hiring, supported by a dedicated internal resource. Competitive remuneration frameworks, recognition and reward programs, and succession planning initiatives underpin Synertec's ability to attract and retain top talent.
- Hybrid working arrangements, combining remote, office and site-based work, promote flexibility, collaboration and employee well-being. Diversity and inclusion programs, supported by measurable targets and regular engagement surveys, foster a culture of belonging and continuous improvement.

10. ENVIRONMENTAL LEGISLATIONS

The Group's operations are not currently subject to significant environmental regulations under either Commonwealth or State legislation.

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11. COMPANY SECRETARY

Mr. Stefan Ross from Vistra (Australia) Pty Ltd was appointed as Company Secretary on 28th October 2024, replacing Mr. Harris in this role. Mr Ross has over a decade of experience in providing company secretarial services to ASX listed companies, and has provided specialist support to Mr Harris and the Synertec Board over several years, so has a strong understanding of the operations and governance of the Company and the Board.

12. DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors ("the Board") and of each Board committee held during the year 1 July to 30 June 2025, and the number of meetings attended by each Director were:

	Board Meetings		Audit and Risk Committee		Nomination and Remuneration Committee	
Directors	**A**	**B**	**A**	**B**	**A**	**B**
Dennis Lin [1]	7	6	1	1	-	-
Johannes Risseeuw [2]	6	6	2	2	1	1
Michael Carroll	10	10	2	2	1	1
David Harris [3]	5	4	-	-	-	-
Peter Lamell	10	9	2	2	1	1
Ian Campbell	10	9	2	2	1	1

Where:
- **column A** is the number of meetings the Director was entitled to attend
- **column B** is the number of meetings the Director attended

[1] Dennis Lin retired from the Company on 28 February 2025
[2] Johannes Risseeuw was appointed as a Non Executive Director of the Company on 29 October 2024, and was appointed as the Chair on 28 February 2025.
[3] David Harris retired as a Director at the conclusion of the 2024 AGM on 28 November 2024

13. UNISSUED SHARES UNDER OPTION

The Company has no unissued share options.

14. REMUNERATION REPORT

The Directors present the Remuneration Report (the "Report"), which forms part of the Directors' Report, for the Group for the year ended 30 June 2025.

The Report details the remuneration arrangements for Key Management Personnel ("KMP") being the:
- Non-executive directors; and
- Executive directors and senior executives (the "Executives")

KMP are those, who directly, or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Group.

All figures disclosed as part of the renumeration report are not audited.

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14. REMUNERATION REPORT (continued)

Name	Position	Appointed as a Director	Retired as a Director
Mr. Johannes Risseeuw	Independent Non-Executive Director, Chair	29 October 2024	
Mr. Michael Carroll	Managing Director and Chief Executive Officer	08 August 2017	
Mr. Peter Lamell	Independent Non-Executive Director	01 September 2023	
Mr. Ian Campbell	Independent Non-Executive Director	01 December 2023	
Mr. Dennis Lin	Independent Non-Executive Director, Chair	27 August 2019	28 February 2025
Mr. David Harris	Executive Director, Chief Financial Officer and Company Secretary	01 April 2021	28 November 2024

The remuneration report details the KMP remuneration arrangements for the consolidated entity, including all directors.

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's Executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns Executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ("the Board") ensures that Executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- rewards superior performance within an objective and measurable incentive framework; and
- transparency.

The Board maintains a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team, as well as the Management team.

The Nomination and Remuneration Committee ('Committee') assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board, and Executive and Management team.

The Committee will also periodically review the composition of the Board and make necessary changes to ensure that it comprises persons who have the skill and experience appropriate for the business activities and operations undertaken by the Company.

If a vacancy occurs or if it is considered that the Board would benefit from the services and skills of an additional director, the Board will select and appoint the most suitable candidate. Any such appointee would be required under the By-Laws to retire at the next Annual General Meeting and is eligible for re-election by the shareholders at that meeting.

The Group seeks to remunerate Directors and Executives in accordance with the general principles recommended by the ASX. The Group is committed to remunerating Executives in a manner that is market-competitive, reflects duties and supports the interests of shareholders.

The Group's approach to remuneration is designed to ensure remuneration is competitive, performance-focused, clearly links appropriate reward with business objectives and is simple to administer and understand by Executives and shareholders.

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14. REMUNERATION REPORT (continued)

Principles used to determine the nature and amount of remuneration (continued)

All Executive KMP remuneration comprises the following:

- Fixed (base remuneration):
- At risk component:
  - Short-term incentive (STI) – described further in the table below; and
  - Long-term incentive (LTI) – described further in the table below.

Element	Purpose	Performance metrics	Potential value
Base (fixed) Remuneration	Provide a market competitive salary, including superannuation.	Nil	Within industry averages for the position's required skill and responsibility
STI	Combination of cash and equity based reward for 12-month performance.	Corporate and project development objectives. Company strategy is set at the Board level and is used to determine the KPIs.	Up to 50% of base remuneration.
LTI	Alignment with growth in long-term shareholder value over a three-year period. Combination of cash and equity based reward.	Achievement of key company objectives, linked to long term performance such as technology and engineering milestones and share price performance.	Up to 50% of base remuneration.

The reward framework is designed to align Executive reward to shareholders' interest. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, consisting of but not only including, delivering constant or increasing return on assets, growth in share price, and as well as focusing the Executive on key non-financial drivers of value; and
- attracting and retaining high calibre people.

Additionally, the reward framework should seek to enhance Executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of Non-Executive Directors and Executive remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed by the Board as a whole. Fees for Non-Executive Directors are not linked to the performance of the Company.

Each of the Non-Executive Directors receives a fixed fee for their services as Directors. There is no direct link between remuneration paid to any of the Directors and corporate performance such as bonus payments for achievement of certain key performance indicators. There are no retirement benefits for Non-Executive Directors.

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14. REMUNERATION REPORT (continued)

Non-Executive Directors' remuneration (continued)

Non-Executive Directors are encouraged to hold shares in the Company and align their interests with the Company's shareholders. The shares are purchased by the directors at the prevailing market share price.

ASX Listing Rules require that the aggregate Non-Executive Directors' remuneration shall be determined periodically by a general meeting. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is not to exceed $500,000, which was approved by shareholders at the Company's 2023 Annual General Meeting.

Link between remuneration and performance

FY 2025 performance and impact on remuneration

The STI scheme operates to link performance and reward with key measurable financial and non-financial performance indicators to provide employees with clear and understandable targets that are aligned with the Group's objectives.

The STI performance objectives are communicated to KMPs at the beginning of the twelve-month performance period, with performance evaluations conducted during and following the end of the respective twelve-month performance period.

The Group's overall performance across FY25 saw the business continuing to achieve many key strategic objectives and KPIs despite challenging trading conditions brought about by the flow-on consequences in our Australian market of the global trade and tariff uncertainties and the instability in the Middle East, which have directly and indirectly impacted key economic factors such as delays in consumer spending, slowdown in engineering consultancy, record low unemployment amid an extremely tight labour market which has further driven up the cost of labour, recruitment and retention, particularly for people-based businesses such as Synertec.

Despite this, Synertec has navigated FY25 as follows:

- Technology Revenue growth of 90%
- Deployment and commercialisation of its key scalable environmental technology with a major global Australian-based energy company
- Normalised EBITDA in the Engineering business of $2.2 million (FY24 EBITDA of $0.7 million)
- Right size business and reduced headcount by 25%
- Achieved high rates of staff retention despite the conditions
- Grew work in hand and pipeline significantly, outperforming KPI threshold
- Nil Total Recordable Incident Frequency Rate and notifiable health and safety or environmental incidents
- Average Debtor Days for the year being within the target range of 35-45 days

Further:

- Eligibility for award is only achievable if both the safety and financial metrics within the annual STI plan for the year (in the case of STIs) and each of those respective years (in the case of LTIs) is achieved to the levels as outlined in the STI plan for eligibility to the STI for each respective year; and
- Any Incentive award under the Company's plans is subject to the Board's assessment of performance against the Company KPI Performance Targets, an individual's performance, and an individual remaining employed (and not in a notice period) with the Company at the time of any Incentive award.

To assist in this assessment, the Committee receives detailed reports on performance from management which are based on KPIs established by the Board at the beginning of the financial year, independently verifiable data such as audited financial measures and independent market data.

As a result of not achieving the Budget, the Board has not awarded any STI or LTI as part of FY25 incentive plan.

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14. REMUNERATION REPORT (continued)

Maintaining sustainable performance – future approach

The Group is anticipating a period of growth in key markets across both Engineering and Technology business segments.

In order to increase the focus on major milestones in the short term and sustainable performance over the long term, the Committee proposes to continue to pay short term incentives based on key milestones which are expected to bring significant increases in shareholder value each year. This will be done through awarding remuneration increases primarily in the form of incentive pay. Measures of performance will also be reviewed to place greater weight on those non-financial indicators of performance that will improve sustainability of operations.

Balancing short-term and long-term performance

Annual incentives are generally set at a maximum of 50% of fixed remuneration, in order to drive performance without encouraging undue risk-taking. Sustainability of results and talent retention is also supported by the deferral of a portion of the short-term incentives. Long-term incentives are generally assessed over a three year period and are designed to promote long-term stability in shareholder returns.

Voting of shareholders at last year's Annual General meeting

The Company received 98.95% "yes" votes on its remuneration report for the 2024 financial year. The company did not receive any feedback at the AGM or throughout the year on its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits		Post-employment benefits		Equity	Long-term benefits	Total
2025	**Cash salary and fees**	**Bonus**	**Super-annuation**	**Termi-nation**	**Options**	**Long service & Annual leave**	
Independent Non-Executive Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Johannes Risseeuw (Chair) [1]	80,258	-	9,289	-	78,865	-	168,412
Dennis Lin (former Chair) - resigned on 28 February 2025	88,494	-	10,177	-	-	-	98,671
Ian Campbell	96,096	-	11,089	-	55,206	-	162,391
Peter Lamell	99,099	-	11,438	-	55,206	-	165,743
Executive Directors							
Michael Carroll (Managing Director)	450,437	145,142	34,248	-	101,813	(14,807)	716,833
David Harris (former Executive Director/Chief Financial Officer/Company Secretary) [2]	99,698	132,060	11,034	-	-	13,113	255,905
Yash Gala (Chief Financial Officer) [3]	232,391	-	23,901	-	-	8,546	264,838
Total remuneration of key management personnel	**1,146,473**	**277,202**	**111,176**	**-**	**291,090**	**6,852**	**1,832,793**

[1] Mr. Johannes Risseeuw has been part of the Synertec Board since 29 October 2024 as a Non-Executive Director, and was appointed Independent Non-Executive Chair on 28 February 2025.

[2] David Harris retired as a Director at the conclusion of the 2024 AGM on 28 November 2024

[3] Mr. Yash Gala was appointed as Chief Financial Officer on 01 October 2024.

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14. REMUNERATION REPORT (continued)

Details of remuneration continued

2024	Short-term benefits		Post-employment benefits		Equity	Long-term benefits	Total
	Cash salary and fees	Bonus	Super-annuation	Termi-nation	Options	Long service & Annual leave	
Independent Non-Executive Directors	$	$	$	$	$	$	$
Dennis Lin (Chair)	111,410	-	12,255	-	-	-	123,665
Leeanne Bond	29,167	-	-	-	-	-	29,167
Ian Campbell	57,808	-	6,359	-	-	-	64,167
Peter Lamell	60,060	-	6,607	-	-	-	66,667
Executive Directors							
Michael Carroll (Managing Director)	451,957	148,490	27,048	-	-	44,957	672,452
David Harris - (Executive Director/Chief Financial Officer / Company Secretary)	399,446	132,060	26,479	-	-	52,335	610,320
Total remuneration of key management personnel	**1,109,848**	**280,550**	**78,748**	**-**	**-**	**97,292**	**1,566,438**

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at 1 July 2024	Received as part of remuneration	Additions / (Disposals)	Options exercised	Other (Balance when appointed or ceased as a director	Balance at 30 June 2025
Independent Non-Executive Directors						
Dennis Lin[1]	2,173,913	-	-	-	(2,173,913)	-
Johannes Risseeuw[2]	-	-	4,369,700	-	-	4,369,700
Peter Lamell	1,083,501	-	-	-	-	1,083,501
Ian Campbell	139,000	-	450,000	-	-	589,000
Executive Directors						
Michael Carroll[3]	42,398,496	-	-	-	-	42,398,496
David Harris[4]	6,485,559	-	-	-	(6,485,559)	-

(1) Dennis Lin retired from the Company on 28 February 2025

(2) Johannes Risseeuw has been part of the Synertec Board since 29 October 2024, and was appointed Independent Non-Executive Chair on 28 February 2025

(3) Michael Carroll is the beneficial owner of 100% of the benefits and rights in the Pinnacle (MCGA) Retirement Fund, which in turn owns 100% of the ordinary shares in Kensington Trust Singapore Ltd which is the registered holder of 42,398,496 shares in Synertec Corporation Limited and is the largest individual shareholder in the Company

(4) David Harris retired as a Director at the conclusion of the 2024 AGM on 28 November 2024

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14. REMUNERATION REPORT (continued)

Options held by key management personnel

	Balance at 1 July 2024	Received as part of remuneration	Additions/ (Disposals)	Options Exercised	Balance at 30 June 2025
Independent Non-Executive Directors					
Johannes Risseeuw	-	4,000,000	-	-	4,000,000
Peter Lamell	-	2,800,000	-	-	2,800,000
Ian Campbell	-	2,800,000	-	-	2,800,000
Executive Director					
Michael Carroll (Managing Director)	-	15,050,786	-	-	15,050,786

Additional disclosures relating to key management personnel
There were no other transactions with key management personnel during the year.

This concludes the remuneration report.

15. INDEMNITIES GIVEN TO, AND INSURANCE PREMIUMS PAID, FOR OFFICERS AND AUDITORS

Officers
During the year, Synertec Corporation Limited paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

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

Auditors
The Group has not agreed to indemnify the auditor of the Group and any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

16. AUDITOR

Grant Thornton Audit Pty Ltd continues in office.

17. OFFICERS OF THE GROUP WHO ARE FORMER AUDIT PARTNERS OF AUDITOR

There are no officers of the Group who are former audit partners of Grant Thornton Audit Pty Ltd.

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Directors Report

18. NON-AUDIT SERVICES

During the year, the firm of Grant Thornton, the Group's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements 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 Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards), 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 risks and rewards.

19. PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

This report is made in accordance with a resolution of the Directors.

For and on behalf of the Directors,

Mr. Michael Carroll
Managing Director
Melbourne, Australia
29 August 2025

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Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Synertec Corporation Limited and its controlled entities (the Group) have adopted the fourth edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council.

The Group's Corporate Governance Statement for the financial year ending 30 June 2025 is accurate and up to date as at 29 August 2025 and was approved by the Board on 29 August 2025. The Corporate Governance Statement is available on the Synertec Corporation Limited website www.synertec.com.au.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

In Australian dollars	Note	30 June 2025	30 June 2024
Revenue & other income			
Revenue	5	17,797,096	18,952,438
Other income	6	413,277	840,592
Total Revenue & other income		**18,210,373**	**19,793,030**
Expenses			
Materials and service expense		(1,565,078)	(2,930,743)
Employee benefit expenses	7	(16,101,606)	(15,825,320)
Depreciation and amortisation expense	16	(979,354)	(1,075,186)
Technology research and development costs		(655,483)	(1,132,051)
Business and corporate development expenses	8	(2,245,076)	(2,816,893)
Other expenses	9	(3,300,206)	(3,020,596)
Finance costs		(1,006,383)	(250,469)
Total expenses		**(25,853,186)**	**(27,051,258)**
Loss before tax		**(7,642,813)**	**(7,258,228)**
Income tax expense	10(i)	-	-
Loss after tax		**(7,642,813)**	**(7,258,228)**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive loss for the year		**(7,642,813)**	**(7,258,228)**
Earnings per share (cents)			
Basic loss per share	24	(1.47)	(1.63)
Diluted loss per share	24	(1.47)	(1.63)

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

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Consolidated Statement of Financial Position

In Australian dollars	Note	30 June 2025	30 June 2024
Assets			
Cash and cash equivalents	11	3,699,388	6,418,918
Trade and other receivables	12	2,670,755	2,657,287
Contract assets	13	1,225,853	1,412,385
Inventories	14	720,486	478,487
Other assets	15	761,195	1,702,230
Total current assets		**9,077,677**	**12,669,307**
Non-current assets			
Property, plant and equipment	16	6,798,924	6,475,417
Investment	17	1,000,000	-
Other assets	15	-	1,300,529
Total non-current assets		**7,798,924**	**7,775,946**
Total assets		**16,876,601**	**20,445,253**
Liabilities			
Trade and other payables	19	4,957,560	3,765,839
Interest bearing liabilities	18	2,966,593	498,659
Employee benefits	20	1,627,007	1,624,671
Contract liabilities	21	536,273	131,854
Lease liabilities	22	470,694	282,169
Total current liabilities		**10,558,127**	**6,303,192**
Non-current liabilities			
Interest bearing liabilities	18	36,688	83,074
Lease liabilities	22	1,226,621	1,723,077
Employee benefits	20	249,376	282,176
Total non-current liabilities		**1,512,685**	**2,088,327**
Total liabilities		**12,070,812**	**8,391,518**
Net assets		**4,805,790**	**12,053,735**
Equity			
Issued capital	23	27,644,646	27,642,680
Share option and warrants reserve	25	1,478,622	1,514,128
Retained earnings		(24,317,478)	(17,103,073)
Total equity		**4,805,790**	**12,053,735**

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

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Consolidated Statement of Changes in Equity

In Australian dollars	Note	Issued capital	Share option and warrants reserve	Retained earnings	Total
		$	$	$	$
Balance at 1 July 2023		20,952,119	428,409	(9,844,845)	11,535,686
Issue of shares		7,074,193	-	-	7,074,193
Capital raising costs		(383,632)	-	-	(383,632)
Warrants issued		-	1,085,719	-	1,085,719
Loss for the year		-	-	(7,258,228)	(7,258,228)
Total comprehensive loss		-	-	(7,258,228)	(7,258,228)
Balance at 30 June 2024		**27,642,680**	**1,514,128**	**(17,103,073)**	**12,053,735**
Balance at 1 July 2024		27,642,680	1,514,128	(17,103,073)	12,053,735
Issue of shares		1,966	-	-	1,966
Employee share-based compensation		-	392,902	-	392,902
Options lapsed	25	-	(428,408)	428,408	-
Loss for the year		-	-	(7,642,813)	(7,642,813)
Total comprehensive loss		-	-	(7,642,813)	(7,642,813)
Balance at 30 June 2025		**28,073,054**	**1,478,622**	**(24,317,478)**	**4,805,790**

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

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Consolidated Statement of Cash Flows

In Australian dollars	Note	30 June 2025	30 June 2024
Cash flows from operating activities			
Cash receipts from customers		19,314,787	20,904,783
Cash paid to suppliers and employees		(23,198,361)	(26,203,534)
Cash used in operations		(3,883,574)	(5,298,749)
Government grant received		499,332	304,525
Interest received		135,487	125,675
Interest paid		(167,383)	(193,755)
Payments for R&D activities		(655,483)	(1,132,051)
Net cash used in operating activities	11A(i)	**(4,071,620)**	**(6,194,357)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		5,436	-
Investment in Phnxx	17	(250,000)	-
Purchase of property, plant and equipment		(1,224,844)	(3,834,906)
Net cash used in investing activities		**(1,469,408)**	**(3,834,906)**
Cash flows from financing activities			
Payments for capital raising costs		-	(383,632)
Proceeds from issue of shares		-	7,000,000
Loan received	18	3,465,000	-
Repayment of interest bearing liabilities		(123,246)	(486,258)
Finance cost paid		(119,409)	-
Repayment of finance lease liabilities (principal)		(400,847)	(335,787)
Net cash from financing activities		**2,821,498**	**5,794,323**
Net increase in cash and cash equivalents		(2,719,530)	(4,234,941)
Cash and cash equivalent at beginning of the year		6,418,918	10,653,858
Cash and cash equivalents at end of the year	11	**3,699,388**	**6,418,918**

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

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Notes to The Financial Statements

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial statements cover Synertec Corporation Limited as a consolidated entity consisting of Synertec Corporation Limited (referred as the 'Company' or 'Parent Company') and the entities it controlled at the end of, or during, the year ended 30 June 2025 (together referred to as the 'Group').

Synertec Corporation Limited is the Group's Ultimate Parent Company. It is a public company (limited by shares) incorporated in Bermuda, and listed on the Australian Securities Exchange (ASX:SOP). Its registered office is: Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Its registered office in Australia is Ground Floor, 2-6 Railway Parade, Camberwell, VIC 3124, Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report, which is not part of the financial statements. The financial statements were approved and authorised for issue, in accordance with a resolution of directors, on 29th August 2025.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of accounting

The consolidated general purpose financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Synertec Corporation Limited is a for-profit entity for the purpose of preparing the financial statements. The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

2.3 Functional and presentational currency

These financial statements are presented in Australian dollars, which is the Group's functional currency and presentation currency.

2.4 Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2025. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition; or up to the effective date of disposal, as applicable.

2.5 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business. In preparing the financial statements, the Directors have identified the following matters in relation to going concern:

- Net loss after tax of $7,642,813
- Current liabilities exceeding current assets by $1,480,450
- Net operating cash outflows of $4,071,620
- Breach of two (revenue and EBITDA) of the five covenants held with Altor

Collectively, these factors give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In considering their position, the Directors' have had regard to the following factors in the Group's ability to continue as a going concern:

- Current cash reserves
- Level of forecast cash expenditure; and
- The likelihood of being able to raise funds in the future

Subsequent to year-end, the Group entered into the First Amendment and Restatement Deed ("Deed") with Altor Capital Management, effective 29 August 2025. This included a waiver of the breached covenants and an increase in the existing $15 million facility to $19 million.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Going concern (continued)

The additional $4 million facility is solely for working capital and is available in two tranches of $2.5 million and $1.5 million. Any investing cash flows will be funded from the existing $15 million facility.

This brings the total facility size to $19 million, with only $3.5 million drawn down, leaving a balance of $15.5 million available. Key terms of the $4 million facility include: 16% fixed interest, an 18-month term, and principal repayment at the end of the term.

The Deed establishes a new covenant regime from the effective date. The covenants are contingent on the Group's performance and operations to access the facility. The Group has prepared cash flow forecasts based on its best estimate assumptions; however, these assumptions include external conditions outside the Group's control and therefore represent a material uncertainty.

Notwithstanding this, based on the above factors, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that might result should the Group be unable to realise its assets and discharge its liabilities in the normal course of business as this uncertainty is resolved.

2.6 Revenue and other income

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. The Group's main revenue streams are as follows:

Engineering services

The Group provides engineering services relating to the design and engineering of customised Systems, Process, Chemical, Mechanical Design, Automation, Safety, Electrical and Software Engineering solutions. Revenue from these services is recognised on a time-and-materials basis as the services are provided and the performance obligation is satisfied over time. The satisfaction of the performance obligation is achieved on completion of timesheets and acquisition of materials required for the projects. Customers are invoiced monthly as work progresses. Any amounts remaining unbilled at the end of a reporting period are presented in the statement of financial position as Contract assets as only the passage of time is required before payment of these amounts will be due.

Fixed price solutions

The Group enters into contracts for the design, engineering and construction of customised engineering solutions in exchange for a fixed fee and recognises the related revenue over time. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation. To depict the progress by which the Group transfers control of the systems to the customer, and to establish when and to what extent revenue can be recognised, the Group measures its progress towards complete satisfaction of the performance obligation using the percentage complete basis as this provides the most accurate depiction of the transfer of goods and services to each customer due to the Group's ability to make reliable estimates of costs to complete the Project, arising from its significant historical experience constructing similar solutions.

Advanced receipt

When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position as Contract liabilities.

Technology contracts - Operating Leases

As the current contract has been assessed as an operating lease, the Group is recognising revenue over time on a straight line basis.

Research and development tax credits

Research and development ('R&D') tax credits relate to technology projects, for which eligible R&D activities are being undertaken.

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2. MATERIAL ACCOUNTING POLICIES (continued)

Research and development tax credits (continued)

The federal government's Research and Development Tax Incentive program (R&DTI) offers a tax offset for companies conducting eligible R&D activities. When management is able to calculate a reasonable estimate of the R&DTI refund likely to be received for a financial year, that amount is recognised in the financial year to which the refund relates. When a reasonable estimate cannot be determined, income from the R&DTI refund is recognised when it is received. The Group is eligible for a 43.5% refundable R&D tax offset on applicable research and development activities given that its aggregate turnover is less than $20 million. The refundable tax offset is equal to the company's tax rate (25%) plus a premium of 18.5% provided the company is below the $20 million threshold. The Group has recognised the R&D credit on an accrual basis.

2.7 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; and
- lease finance costs as a result of IFRS 16.

Interest income or expense is recognised using the effective interest method.

2.8 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group at the exchange rates at the dates of the transactions (spot exchange rate). Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

2.9 Income taxes

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and under and over provision in prior periods, where applicable. Income tax expense comprises current and deferred tax.

It is recognised in profit or loss except to the extent that it relates items recognised directly in equity or in other comprehensive income (OCI).

(i) Current tax

Current income tax assets and / or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(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. 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. Deferred tax assets are recognised for unused tax losses, unused 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 used. 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.

Deferred tax liabilities are always provided for in full. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if the Group has a right and intention to set-off current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Income taxes continued

(ii) Deferred tax continued

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Synertec Corporation Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Synertec Corporation Limited is responsible for recognising the current tax liabilities of the Australian tax consolidated group. The tax consolidated group has entered into an agreement whereby each component in the Group contributes to income tax payable in proportion to their contributions to the taxable profit of the tax consolidated group.

2.10 Inventory

Inventories are measured at the lower of cost and net realisable value, and primarily relates to materials. These materials then get transferred to Capital Work In Progress when materials are free issued as part of the assembly process. The cost of inventories is based on the first-in, first out principle.

An assessment of net realisable value (NRV) is performed at each reporting date. Inventory is written down to NRV when its cost is not recoverable, primarily due to damage, technical obsolescence and contract cancellations.

2.11 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.
The estimated useful lives of property, plant and equipment are as follows:

- Motor Vehicles 10 years
- Furniture and Equipment 16 years
- Computers 3 years
- Powerhouse Units 10 - 25 years
- Leasehold Improvements 2 -10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.12 Interest bearing liabilities

Loans and borrowings are initially recognised at fair value of the consideration received, net transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.13 Impairment

(i) Financial assets measured at amortised cost

The Group applies a simplified approach in calculating Expected Credit Losses (ECLs) for trade receivables and contract assets. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the unwinding of the discount is recognised as finance cost. No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow is remote in which case, no liability is recognised.

2.15 Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(iii) 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 using high quality corporate bond rates. Remeasurements are recognised in profit or loss in the period in which they arise.

(iv) Share-based payment

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.15 Employee benefits (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied. If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made.

An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification. If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation.

If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

2.16 Leases

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. The Group assesses whether the contract meets three key evaluations which are whether:

1. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
2. the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; or
3. the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.16 Leases (continued)

Measurement and recognition of leases as a lessor (continued)

For new contracts entered into, the Group considers whether a contract is, or contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or operating lease.

To classify a lease, the Group makes an overall assessment whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease. If is not the case, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset

Operating Lease

The Group recognises lease payments received under operating leases as revenue on a straight-line basis over the lease term.

2.17 Financial instruments

The Group does not hold derivative financial assets. Where required the Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, and loans and receivables.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

i) Non-derivative financial assets and financial liabilities - recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets - measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents may include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

(iii) Non-derivative financial liabilities - measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.18 Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

2.19 Warrants

Description of Warrant Options: On 3 May 2024, the Group issued warrant options in connection with the Facility Agreement. The warrant options provide the holder the right to purchase 18.5 Million Synertec shares at an exercise price of 13.5 Cents per share.

Valuation Methodology: Warrants are measured at fair value. The fair value of the warrant options was determined indirectly by calculating the difference between the fair value of the Facility Agreement with the warrants and the fair value of the Facility Agreement without the warrants. The fair value of the Facility Agreement was assessed using a discounted cash flow analysis and crosschecked using other valuation techniques.

Initial Recognition: The warrant options were initially recognised as equity instruments at a fair value of $1,085,719 on the date of issuance. Warrant options classified as equity instruments are not remeasured after initial recognition. The warrants were classified as equity instruments on the basis that each warrant is convertible to an ordinary share. The warrants met with fixed for fixed criteria in IAS 32 making them equity in nature.

Disclosure of Fair Value: Fair value of warrant options at the date of issuance: $1,085,719

Valuation techniques and inputs used: Discounted cash flow analysis with key inputs including discount rate of 15.3% and a secured facility of $15 million drawn down.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3.1 Judgements

Technology contracts - Operating Leases

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 2.6 – Revenue and other income. Judgement is required to determine whether the nature of leases entered into are finance or operating in classification, in particular the relationship between the fair value of the underlying asset and minimum lease payments. Management's judgement on this matter is that the leases are operating in classification applying both the quantitative and qualitative tests described in the relevant accounting standard.

Deferred tax assets

Judgement is required to determine whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in the future periods in order to recognise and utilise those deferred tax assets. Judgement is also required in respect of the expected manner of recovery of the value of an asset or liability (which will then impact the quantum of the deferred tax assets or deferred tax liabilities recognised) and the application of existing laws.

Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as exchange rates, commodity prices and operating performance over the life of the assets.

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3. USE OF JUDGEMENTS AND ESTIMATES (continued)

Deferred tax assets

To the extent that cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets reported at the reporting date could be impacted. Additionally, future changes in tax laws in which the Group operates could limit the ability of the Group to obtain tax deductions and recover/utilise deferred tax assets in future periods.

Convertible notes

During the reporting period, the Group acquired convertible notes in exchange for a combination of cash, the provision of access to software that the Group holds the intellectual rights to under a licence agreement, and the promise to provide software and engineering development services to a specified value. Judgement was applied by management in determining the initial fair value of the convertible notes and the initial values attributed to the licence agreement and promise to provide development services. The promise to provide development services was measured based on an expected cost plus margin approach, benchmarked against comparable stand-alone customer contracts. As the Group does not normally sell or licence intellectual property, the value attributed to the provision of the IP licence was initially measured based on the difference between the fair value of the convertible notes and the fair value of the consideration paid by the Group excluding the provision of the IP licence.

As at the end of the reporting period, the Group determined the fair value of the convertible notes based on the prices similar convertible notes were being issued by the same entity on or around this date to independent third parties.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. At 30 June 2025 the Group has concluded there will not be future taxable amounts to utilise temporary differences and losses within 12 months.

3.2 Assumptions and estimation uncertainties

Contract assets - recognition of project revenue

Recognising project revenue requires judgement in determining percentage of completion, actual work performed and/or the estimated costs to complete the work.

Research and Development tax credits

The Group has recognised Research and Development tax credits on an accrual basis. As the Group's return has not yet been submitted, the consolidated entity has made an estimate of the likely refund amount based on the preliminary number provided by the Group's external tax consultant.

4. OPERATING SEGMENTS

The Group restructured the business to form two key areas of operation, being Engineering Solutions ('Engineering') and Technology and Future Business ('Technology'). These two divisions/segments are managed separately as each requires different skills, technologies, marketing approaches and other resources. This is the basis on which information is internally provided to the Chief Operating Decision Makers ('CODMs') for assessing performance and making operating decisions. All inter-segment transfers are conducted at arm's length prices based on prices charged to customers in stand-alone sales of identical goods or services.

The segment disclosures are before corporate costs. The Corporate area of the Group, which is a cost centre, includes the Board and Executives which oversee the function and strategic direction of Engineering and Technology, as well as the governance, financing and operation of the public ASX-listed head parent company, Synertec Corporation Limited. The activities of the head company include governance oversight, finance and related affairs, corporate development, investor relations and other functions associated with the operation and regulatory compliance of the Group's head company.

It includes parent company costs and interest income and charges which are not otherwise allocated to operating segments as this type of activity is driven by the Group function, which manages the cash position, governance and compliance for the Group as a whole.

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Notes to The Financial Statements

4. OPERATING SEGMENTS (continued)

The Board assesses the performance of the operating segments based on a segment profit measure referred to as Normalised EBITDA, which excludes the effects of non-operating and non-recurring costs. Transformation initiatives and Powerhouse spend are one off in nature due to specific projects and developments in the product.

The Group's revenue includes three customers who contributed more than 10% of the Group's total revenue in FY25, including customer 1 (contributing 23%), customer 2 (contributing 20%) and customer 3 (contributing 10%). The revenues and profit generated by each of the Group's two key business segments and their respective segment assets and liabilities are summarised as follows:

	1July 2024 to 30 June 2025		
	Engineering	**Technology**	**Total**
Revenue and other income			
From external customers	15,759,763	2,037,333	17,797,097
From other segment [1]	2,449,188		2,449,188
Government incentives	-	277,789	277,789
Other	-	-	-
Segment revenues and other income	**18,208,951**	**2,315,122**	**20,524,074**
Segment normalised EBITDA	**2,210,145**	**(1,789,033)**	**421,112**
Corporate development	-	(536,139)	(536,139)
Restructuring initiatives	(339,408)	-	(339,408)
Bid development and growth bench	(758,108)	-	(758,108)
Powerhouse net spend	-	(370,348)	(370,348)
Depreciation and amortisation	(184,980)	(305,884)	(490,864)
Segment operating profit / (loss)	**927,649**	**(3,001,404)**	**(2,073,756)**
Assets and liabilities			
Segment assets	**6,436,254**	**8,109,006**	**14,545,261**
Segment liabilities	**5,827,397**	**704,054**	**6,531,452**

[1] The revenue recognised by the Engineering business includes the provision of services to the Technology business, primarily relating to the Powerhouse Technology. In the Technology business, these costs were either recognised as an expense in the profit and loss statement or categorised as property plant and equipment or inventory or a prepayment in the balance sheet, where applicable.

	1July 2023 to 30 June 2024		
	Engineering	**Technology**	**Total**
Revenue and other income			
From external customers	17,878,354	1,074,084	18,952,438
From other segment[1]	3,057,120	-	3,057,120
Government incentives	-	492,275	492,275
Other	222,476	-	222,476
Segment revenues and other income	**21,157,950**	**1,566,359**	**22,724,309**
Segment normalised EBITDA	**773,466**	**(1,182,980)**	**(409,514)**
Corporate development	-	(1,025,853)	(1,025,853)
Transformation initiatives	(185,543)	-	(185,543)
Bid development and growth bench	-	-	-
Powerhouse net spend	-	(899,776)	(899,776)
Depreciation and amortisation	(658,259)	(411,177)	(1,069,436)
Segment operating profit / (loss)	**(70,336)**	**(3,519,786)**	**(3,590,122)**
Assets and liabilities			
Segment assets	**8,148,757**	**6,485,200**	**14,633,957**
Segment liabilities	**7,230,992**	**365,174**	**7,596,167**

[1] The revenue recognised by the Engineering business includes the provision of services to the Technology business, primarily relating to the Powerhouse and CTS projects. In the Technology business, these costs were recognised as an expense in the profit and loss statement.

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Notes to The Financial Statements

4. OPERATING SEGMENTS (continued)

The totals presented for the Group's operating segments reconcile to the key financial figures as presented in its financial statements as follows:

(i) Revenue and other income	**1 July 2024 to 30 June 2025**	**1 July 2023 to 30 June 2024**
Total reportable segment revenues	20,524,074	22,724,309
Elimination of inter-segment revenues	(2,449,188)	(3,057,120)
Other income	135,488	125,841
	18,210,374	**19,793,030**
(ii) Segment operating profit/(loss)		
Segment operating profit /loss	(2,073,756)	(3,590,122)
Elimination of inter-segment profits	(1,173,073)	(766,977)
Corporate expenses	(3,389,601)	(2,650,659)
Group operating loss	**(6,636,430)**	**(7,007,759)**
Finance costs	(1,006,383)	(250,469)
Group loss before tax	**(7,642,813)**	**(7,258,228)**
(iii) Segment assets	**30 June 2025**	**30 June 2024**
Segment assets	14,545,261	14,633,957
Corporate assets	2,331,340	5,811,296
Total assets	**16,876,601**	**20,445,253**
(iv) Segment liabilities		
Segment liabiliies	6,531,452	7,596,167
Corporate liabilities	5,539,360	795,351
Total liabilities	**12,070,812**	**8,391,518**

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Notes to The Financial Statements

5. REVENUE

Revenue from contracts with customers

	Note	30 June 2025	30 June 2024
Engineering services		14,299,637	13,842,486
Fixed price solutions		1,210,126	4,035,867
Technology contracts		2,037,333	1,074,084
Licence fee	17	250,000	-
		17,797,096	**18,952,438**

Revenue recognised under Technology contracts is recognised as an operating lease following guidelines by IFRS 16. Future undiscounted lease payments to be received on an annual basis are as follows:

	Lease Revenue from Technology Contracts					
	Within one year	One to two years	Two to three years	Three to four years	Four to five years	Total
Lease revenue	**2,415,000**	**2,415,000**				**4,830,000**

The minimum term of the contracts is 3 years. It is expected by both parties that the Powerhouse System will be continuously deployed and contracted over at least 7 years with minimum expected revenue of $2.4 million per annum.

6. OTHER INCOME

Government benefits - R&D tax credits[1]	267,789	492,275
Government benefits - export market development grants scheme	10,000	-
Interest income[2]	135,488	125,841
Gain on lease modification	-	222,476
	413,277	**840,592**

[1] The Group is eligible for a 43.5% refundable R&D tax offset on applicable research and development activities given that its aggregate turnover is less than $20 million.

The refundable tax offset is equal to the company's tax rate (25%) plus a premium of 18.5% provided the company is below the $20 million threshold. The Group is entitled to a refundable benefit of 43.5% on all its eligible R&D expenditure.

The tax credits recognised for the year ended 30 June 2025 are expected to be refunded to the Group following lodgement of its annual income tax return.

[2] Interest income comprised of interest received on short-term bank deposits.

7. EMPLOYEE BENEFITS EXPENSE

Recognised in profit or loss

Gross employee benefits expense	14,597,780	14,266,342
Superannuation expense	1,503,826	1,558,978
Employee benefits expense in the statement of profit or loss and other comprehensive income	**16,101,606**	**15,825,320**

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Notes to The Financial Statements

8. BUSINESS AND CORPORATE DEVELOPMENT EXPENSES

Business development costs [1]	1,961,205	898,014
Corporate development costs [2]	283,871	1,918,879
	2,245,076	**2,816,893**

[1] During the year, Synertec was awarded new contracts and existing contract extensions across all five key target industries with Water being the major contributor. This is reflected in the increased business development costs in securing those contracts.

[2] Corporate development costs includes costs of exploring the Technology market opportunities in Australia and other strategic growth opportunities for the Group throughout the year.

9. OTHER EXPENSES

IT and telecommunication costs	946,491	868,410
Legal, professional fees and insurances	1,035,756	1,081,004
Administrative expenses	1,317,959	1,071,182
	3,300,206	**3,020,596**

10. TAXES

(i) Tax recognised in profit or loss

	30 June 2025	30 June 2024
Deferred tax expense	-	-
Origination and reversal of temporary differences	-	-
Income tax expense		

(ii) Reconciliation of effective tax rate

Loss before tax	**(7,642,813)**	**(7,258,228)**
Income tax benefit using the Group's domestic tax rate (25%, FY24:25%)	(1,910,703)	(1,814,557)
Non-deductible expenses	6,745	9,727
R&D net benefit	96,524	159,944
Current year DTA movement not recognised	1,807,437	1,644,885
Income tax expense/(benefit)	-	-

(iii) Movement in deferred tax assets

Opening balance	236,413	241,013
Charged to profit and loss	(214,123)	(4,600)
Closing balance	**22,290**	**236,413**

(iv) Movement in deferred tax liabilities

Opening balance	(236,413)	(241,013)
Charged to profit and loss	214,123	4,600
Closing balance	**(22,290)**	(236,413)

(v) Movement in net deferred tax asset / (liability)

Opening balance	-	-
Charged to profit and loss	-	-
Closing balance	-	-

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. At 30 June 2025 the Group has concluded there will not be future taxable amounts to utilise temporary differences and losses within 12 months.

(vi) Deferred tax assets not brought to account at reporting date

	30 June 2025	30 June 2024
Temporary differences	761,497	816,289
Unused carry forward tax losses	6,155,527	4,520,231
	6,917,024	**5,336,520**

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Notes to The Financial Statements

10. TAXES (continued)

Deferred tax assets are not subject to any expiry date or limited to a certain type of taxable income and remain available to be deducted from any future taxable profits of the Company. This includes a DTA on unused carry forward tax losses not brought to account as at 30 June 2025, which amounts to $6,155,527. At the current Australian corporate income tax rate applicable to the Company of 25%, this equates to approximately $24.6 million in taxable profits that potentially could be earned by the Company before an income tax expense is incurred, subject to applicable laws and regulations.

(vii) Movement in deferred tax balances during the year

	Balance 30-Jun-2023	Recognised in profit or loss	Recognised in other compre-hensive income	Balance 30-Jun-2024	Recognised in profit or loss	Recognised in other compre-hensive income	Balance 30-Jun -2025
Deferred tax assets							
Employee benefits	241,013	(4,600)	-	236,413	(214,123)	-	22,290
Deferred income	-	-	-	-	-	-	-
Corporate transaction costs	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-
Carry forward tax losses	-	-	-	-	-	-	-
Total Deferred tax assets	**241,013**	**(4,600)**	**-**	**236,413**	**(214,123)**	**-**	**22,290**
Deferred tax liabilities							
Prepayments	-	-	-	-	-	-	-
Intangible asset	(90,450)	-	-	(90,450)	90,450	-	-
Fixed assets	(150,563)	4,600	-	(145,963)	123,673	-	(22,290)
Accrued interest	-	-	-	-	-	-	-
Total Deferred tax liabilities	**(241,013)**	**4,600**	**-**	**(236,413)**	**214,123**	**-**	**(22,290)**
Net Deferred taxes	**-**	**-**	**-**	-	**-**	**-**	**-**

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Notes to The Financial Statements

11. CASH AND CASH EQUIVALENTS

	Note	30 June 2025	30 June 2024
Bank balances		3,698,084	6,417,614
Cash on hand		1,304	1,304
Cash and cash equivalents		**3,699,388**	**6,418,918**

11A. Cash flow information

(i) Reconciliation of cash flows from operating activities

Cash flows from operating activities

Loss for the year		(7,642,813)	(7,258,228)
Adjustments:			
Depreciation and amortisation	16	979,354	1,075,186
Finance income		(135,488)	(125,841)
Finance costs		1,006,383	250,469
Government benefits - research and development tax credits		(267,789)	-
Share based payment		392,902	-
Licence fee	17	(250,000)	-
Loss on sale of fixed assets		6,968	-
Gain on lease modification		-	(222,476)
		(5,910,483)	(6,280,890)
Change in contract assets		186,532	431,581
Change in inventory		(244,702)	(463,522)
Change in other assets		792,046	(212,112)
Change in trade and other receivables		40,304	(395,251)
Change in trade and other payables		940,727	248,488
Change in employee benefits		(30,464)	607,067
Change in contract liabilities		154,419	(129,719)
Net cash used in operating activities		**(4,071,621)**	**(6,194,357)**

(ii)Credit standby arrangement

The Company has the following credit standby facilities which are subject to funding provider review annually:

Funding Facility [1]	15,000,000	15,000,000
Bank guarantee [2]	700,000	700,000
Credit Card	100,000	100,000
Total	**15,800,000**	**15,800,000**
Utilised		
Funding Facility	3,500,000	-
Bank guarantee	415,603	622,012
Credit Card	40,445	53,319
Total	**3,956,048**	675,331

[1] Funding Facility Agreement with Altor Capital Management, comprising two tranches – Tranche 1 of up to $10 million and Tranche 2 of up to $5 million. Subject to meeting certain specified pre-conditions, the Group can draw down on these Tranches (minimum drawdown of $1 million) for working capital purposes. As at the reporting date, the Group had utilised $3.5 million of the funding available under the Facility Agreement. $3.5 million was drawndown on 25th September 2024 with first principal repayment due in 24 months.

[2] The Company is not subject to any covenants on its facilities with its corporate banker, ANZ.

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Notes to The Financial Statements

12. TRADE AND OTHER RECEIVABLES

Current	Note	30 June 2025	30 June 2024
Trade receivables		2,382,469	2,161,879
Other receivables		288,286	495,408
		2,670,755	**2,657,287**

Included in other receivables is R&D tax credits amounting to $267,789 (2024:$492,275), recognised for the period ended 30 June 2025 expected to be refunded to the Group following lodgement of its annual income tax return.

The Company's exposure to credit and market risks, and impairment losses related to trade and other receivables, are disclosed in Note 29.

13. CONTRACT ASSETS

Work in progress	**1,225,853**	**1,412,385**

Determining when to recognise contract revenue requires a degree of judgement. Contract revenue and expenses are recognised in accordance with the percentage of completion method (input) unless the outcome of the contract cannot be reliably estimated. The percentage of completion is estimated by assessing actual work performed and the estimated costs to complete the work.

14. INVENTORIES

Stock on hand	**720,486**	**478,487**

Inventories primarily relate to key components for technology products.

15. OTHER ASSETS

Current		
Prepayments and other debtors	670,770	1,322,645
Deposits	40,264	40,316
Capital borrowing costs	-	339,269
Other assets	50,161	-
	761,195	**1,702,230**
Non- current		
Capital borrowing costs	**-**	**1,300,529**

Capital borrowing costs at 30 June 2024 related to capitalisation of transaction costs and warrants which were issued as part of securing the $15 million debt facility with Altor Capital Management. As Synertec has drawn down on the facility agreement during the year, the carrying amount of the amortised asset has been reclassified to financial liability.

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Notes to The Financial Statements

16. PROPERTY, PLANT AND EQUIPMENT

	Computers	Furniture and equipment	Leasehold improvements	Motor vehicles	Powerhouse plant and equipment[1]	Right-of-use assets	TOTAL
Cost							
Balance at 1 July 2023	621,680	31,009	327,706	274,042	-	1,967,230	3,221,667
Additions	169,004	28,945	61,753	-	3,982,524	2,211,591	6,453,817
Disposals	(87,038)	(1,863)	-	-	-	(1,004,377)	(1,093,277)
Balance at 30 June 2024	**703,646**	**58,092**	**389,459**	**274,042**	**3,982,524**	**3,174,445**	**8,582,207**
Balance at 1 July 2024	703,646	58,092	389,459	274,042	3,982,524	3,174,445	8,582,207
Additions	28,472	-	9,420	-	1,182,641	96,835	1,317,368
Disposals	(207,279)	(20,439)	(13,966)	-	-	(4,005)	(245,689)
Balance at 30 June 2025	**524,839**	**37,653**	**384,912**	**274,042**	**5,165,165**	**3,267,275**	**9,653,885**
Accumulated Depreciation							
Balance at 1 July 2023	454,833	26,419	86,746	58,818	-	856,587	1,483,401
Disposals	(88,222)	(1,775)	-	-	-	-	(89,997)
Depreciation/amortisation expense	180,110	10,866	47,939	51,006	48,272	375,192	713,385
Balance at 30 June 2024	**546,722**	**35,511**	**134,685**	**109,823**	**48,272**	**1,231,779**	**2,106,789**
Balance at 1 July 2024	546,722	35,511	134,685	109,823	48,272	1,231,779	2,106,789
Disposals	(195,579)	(19,914)	(13,787)	-	-	-	(229,280)
Depreciation/amortisation expense	101,096	14,422	46,500	38,707	305,483	471,245	977,452
Balance at 30 June 2025	**452,238**	**30,021**	**167,398**	**148,530**	**353,754**	**1,703,024**	**2,854,961**
Carrying amounts							
at 1 July 2023	**166,848**	**4,589**	**240,959**	**215,224**	**-**	**1,110,644**	**1,738,265**
at 30 June 2024	**156,924**	**22,581**	**254,773**	**164,218**	**3,934,253**	**1,942,665**	**6,475,417**
at 1 July 2024	**156,924**	**22,581**	**254,773**	**164,218**	**3,934,253**	**1,942,665**	**6,475,417**
at 30 June 2025	**72,600**	**7,632**	**217,514**	**125,512**	**4,811,411**	**1,564,251**	**6,798,924**

[1] Assets under Powerhouse plant and equipment are leased to customers on an operating lease basis, under a Build Own Operate Maintain arrangement. Revenue from these leases are recognised under Technology Contracts under Note 5.

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Notes to The Financial Statements

17. INVESTMENT

	30 June 2025	30 June 2024
Investment in Phnxx	**1,000,000**	**-**

During the year, Synertec acquired a convertible note issued by Phnxx. The key features of the investment include the following:

- Convertible note with face value of $1,000,000.
- 8% per annum interest, calculated on a daily basis, on the outstanding face value of the note, accrued up to the date the Balance (ie, face value and any accrued interest) of the note is repaid and/or converted into preference shares issued by Phnxx.
- Each convertible note has a term of twenty-four months from its issue date.
- If there is a Liquidity Event prior to the conversion of repayment of a convertible note, the holder of the note will be repaid in cash an amount equal to the greater of:
- One times the Balance due on the note, and
- The amount the holder would have been entitled to receive if the note had been converted into ordinary shares of Phnxx, immediately prior to the completion of the Liquidity Event and sold at the relevant price per share of such Liquidity Event.

In exchange for receiving the convertible note, Synertec will pay consideration in the form of:
- $500,000 cash in two tranches of $250,000 each
- An IP Licence with a contractual value of $250,000, and
- Development Work with a contractual value of $250,000.

At 30 June 2025, Synertec has paid $500,000 to Phnxx, $250,000 as cash consideration and granted IP Licence with contractual value of $250,000. The remaining amount payable is shown in Other payables $250,000 and Contract liability $250,000.

The Group classifies the investment in convertible notes as measured at fair value through profit or loss because it fails the necessary criteria to be classified at amortised cost or fair value through other comprehensive income under AASB 9. Accordingly, fair value measurement of the convertible notes occurs on a recurring basis.

The Group measures the fair value of the convertible notes at Level 2: observable direct or indirect inputs other than Level 1 inputs. As at the end of the reporting period, the Group determined the fair value of the convertible notes based on the prices of convertible notes with identical per capita terms and conditions issued by the same entity on or around this date to independent third parties.

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Notes to The Financial Statements

18. INTEREST BEARING LIABILITIES

Details of the Group's interest bearing liabilities

	30 June 2025	30 June 2024
Current		
Interest bearing liabilities [1]	2,966,593	498,659
Non-current		
Interest bearing liabilities [1]	36,688	83,074

[1] Included in interest-bearing liabilities is amount of $3.5 million, plus capitalised interest, drawn from the $15 million Funding Facility Agreement with Altor Capital Management, during the period. This is offset by capital borrowing costs relating to capitalisation of transaction costs and warrants, which were issued as part of securing the $15 million debt facility, reclassified to financial liability. Refer Note 15. During FY25 Synertec had a breach of 2 (EBITDA and Revenue) of the 5 covenants in place with Altor hence the liability was classified as current in nature. A waiver for these covenants has been obtained from Altor subsequent to year end and the liability can be reclassified to a non current liability. Subsequent to year end, the Group entered into a new facility and amended covenant terms, see Note 31.

Unused funding Facility	11,500,000	15,000,000

Lender and Loan Amount

In FY24, the Group entered into a $15 million Funding Facility Agreement with Altor Capital Management, comprising two tranches – Tranche 1 of up to $10 million and Tranche 2 of up to $5 million. Subject to meeting certain specified pre-conditions, the Group can draw down on these Tranches (minimum drawdown of $1 million) for working capital purposes. As at the reporting date, the Group had utilised $3.5 million of the funding available under the Facility Agreement. During FY25 Synertec had a breach of 2 (EBITDA and Revenue) of the 5 covenants in place with Altor hence the liability was classified as current in nature. A waiver for these covenants has been obtained from Altor subsequent to year end and the liability can be reclassified to a non current liability.

Interest Rate

Three-month BBSY plus margin of 9.00 %. BBSY subject to floor of 3.00% and a cap of 5.35%

Repayment

Principal repayment will not occur within the first 24 months from the drawdowns. There will be a 6-month interest holiday on each drawdown where interest will accrue and capitalise monthly. Principal holiday of 24 months from the first drawdown with principal repayment amount equal to 30% of the outstanding loan payable, leaving a 70% balloon payment at the completion of the term.

Financial Covenants

Compliance around EBITDA subject to cure period. Additionally the Borrower must ensure that, at all times:

- Gross leverage requirement based on gross debt less unrestricted debt to a trailing EBITDA, to be first measured as at 31 December 2026
- Minimum Unrestricted Cash Balance requirements
- Borrowing Base requirement where the total amount drawn cannot exceed the borrowing base of 70% of the balance of:

a) Cash at bank plus
b) Inventory plus
c) Receivables plus
d) Property, plant and equipment plus
e) Contract Assets

Warrants

Warrants issued details as part of Note 25.

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Notes to The Financial Statements

19. TRADE AND OTHER PAYABLES

	30 June 2025	30 June 2024
Trade payables	1,324,563	1,383,533
Other payables	3,626,070	2,264,031
Fixed price project accruals	6,927	118,275
	4,957,560	**3,765,839**

Included in other payables is amount of $250,000 payable to Phnnx. Refer to Note 17.

20. EMPLOYEE BENEFITS

Current	1,053,684	1,203,392
Annual leave	573,323	421,279
Long service leave	**1,627,007**	1,624,671
Non-Current		
Long service leave	**249,376**	**282,176**

21. CONTRACT LIABILITIES

Billing in advance of work completed[1]	286,273	131,854
Unearned revenue [2]	250,000	-
	536,273	**131,854**

[1] When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position as Contract liabilities.
[2] Refer to Note 17.

22. LEASES

Lease liabilities are presented in the statement of financial position as follows:

	30 June 2025	30 June 2024
Lease liabilities (current)	470,694	282,169
Lease liabilities (non-current)	1,226,621	1,723,077
	1,697,315	**2,005,246**

The Group has leases for its head office in Camberwell, an office in Perth and a photocopier. The lease liabilities are secured by the related underlying assets.

Future minimum lease payments at 30 June 2025 were as follows:

	Minimum lease payment due						
	Within one year	One to two years	Two to three years	Three to four years	Four to five years	Four to five years	Total
Lease payments	538,113	538,438	502,649	290,956	-	-	1,870,157
Finance charges	(82,038)	(56,888)	(29,679)	(4,237)	-	-	(172,842)
Net present values	**456,076**	**481,550**	**472,969**	**286,719**	**-**	**-**	**1,697,315**

Out of the total finance costs of $1,006,383 is an amount of $104,603 attributable to lease liabilities during the year ending 30 June 2025.

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Notes to The Financial Statements

23. ISSUED CAPITAL

	Shares	$
Balance at 1 July 2023	**431,495,935**	**20,952,119**
Issue of ordinary shares - fully paid	87,829,746	7,074,193
Capital raising costs	-	(383,632)
Balance at 30 June 2024	**519,325,681**	**27,642,680**

Balance at 1 July 2024	**519,325,681**	**27,642,680**
Issue of ordinary shares - fully paid	8,737	1,966
Balance at 30 June 2025	**519,334,418**	**27,644,646**

All ordinary shares carry voting rights on a one for one basis.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

24. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Earnings per share	**30 June 2025**
Loss after income tax (in Australian dollars)	(7,642,813)
Weighted average number of ordinary shares used in calculating basic earnings per share	519,330,038
Weighted average number of ordinary shares used in calculating diluted earnings per share	529,330,038
Basic loss per share (cents per share)	(1.47)
Diluted loss per share (cents per share)	(1.47)

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

25. SHARE OPTION AND WARRANTS RESERVE

	Note	30 June 2025	30 June 2024
Balance at 1 July 2024		1,514,128	428,409
Broker options lapsed		(428,408)	-
Share options issued		392,902	-
Warrants issued		-	1,085,719
Balance at 30 June 2025		**1,478,622**	**1,514,128**

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25. SHARE OPTION AND WARRANTS RESERVE (continued)

Broker options lapsed

During the year, unlisted options expired without exercise consisted of 10,000,000 unlisted options with an exercise price of $0.20 cents and 3,600,000 unlisted options with an exercise price of $0.32 cents.

Share options

During the Period, at the Company's 2024 Annual General Meeting, shareholders approved the grant of issue of 15,050,786 performance rights to Michael Carroll and 13,385,441 performance rights to David Harris.

During the Period, at the Company's 2024 Annual General Meeting, shareholders approved the grant of issue of options to the Company's Independent Non-Executive Directors. 4,000,000 options were issued to Mr Johannes Risseeuw, 2,800,000 options to Mr Ian Campbell and 2,800,000 options to Mr Peter Lamell.

A professional independent valuation of the performance rights and options has been performed by accounting and advisory firm, SLM Australia.

The fair value of share-based payment transactions was determined using a binomial option valuation model. The model requires certain inputs in order to determine an appropriate fair value. These inputs include share price at grant date, risk free rate, volatility factor, exercise price, time to maturity and expected dividend yield.

Warrants

Synertec negotiated a funding arrangement with Altor Capital of up to $15.0 million (Host Debt Instrument). The funding will provide Synertec with a working capital facility for the construction of powerhouse units and general corporate purposes, to be drawn in AUD only. As part of the funding arrangement, Synertec will issue below instrument:

Warrants, with the following main terms:

- Number of Warrants = $2.5 million divided by the exercise price.
- Consideration: Nil.
- Expiry Date: 60 months from financial close.
- Exercise: Each warrant may be exercised at any time and for one ordinary share, at an exercise price of 13.5 cents.

As per Synertec accounting policy based on IFRS the reserve reflects amounts arising from share-based payment arrangements with employees and brokers as well as equity instruments issued in relation to funding arrangements.

Interest Rate: Three -month BBSY plus margin of 9.00 %. BBSY subject to floor of 3.00% and a cap of 5.35% (embedded non option derivative).

Voluntary Prepayments: Synertec may voluntarily prepay any portion of the Facility at any time prior to the Termination Date, provided that at least 45 business days notice is provided to the Lender and subject to payment of a Prepayment Premium (embedded call option).

- 2.5% of the amount prepaid if payment is made within less than 24 months of Financial Close.
- 1.5% of the amount prepaid if the payment is made within 24 - 36 months of the Financial Close.

Description of Warrant Options: On May 3 2024, the Group issued warrant options in connection with the Facility Agreement. The warrant options provide the holder the right to purchase 18.5 Million shares of the Synertec’s stock at an exercise price of 13.5 Cents per share.

Valuation Methodology: Warrants are measured at fair value. The fair value of the warrant options was determined indirectly by calculating the difference between the fair value of the Facility Agreement with the warrants and the fair value of the Facility Agreement without the warrants. The fair value of the Facility Agreement was assessed using a discounted cash flow analysis and crosschecked using other valuation techniques.

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25. SHARE OPTION AND WARRANTS RESERVE (continued)

Initial Recognition: The warrant options were initially recognized as equity instruments at a fair value of $1,085,719 on the date of issuance. Warrant options classified as equity instruments are not remeasured after initial recognition. The warrants were classified as equity instruments on the basis that each warrant is convertible to an ordinary share. The warrants met with fit for fixed criteria in IAS 32 making them equity in nature.

Disclosure of Fair Value: Fair value of warrant options at the date of issuance: $1,085,719.
Valuation techniques and inputs used: Discounted cash flow analysis with key inputs including discount rate of 15.3% and a secured facility of $15m drawndown.

26. CONTINGENT LIABILITIES

There are no Contingent Liabilities to be disclosed.

27. RELATED PARTIES

The key management personnel compensation comprised:	30 June 2025	30 June 2024
Short-term employee benefits	1,423,676	1,390,398
Post-employment benefits	111,176	78,748
Equity	291,090	-
Other long-term employment benefits	6,852	97,292
	1,832,792	**1,566,438**

Compensation of the Company's key management personnel includes salaries, accrued leave balances, non-cash benefits and contributions to an employee defined contribution plan.

There were no other related party transactions.

28. AUDITOR'S REMUNERATION

	30 June 2025	30 June 2024
Audit and review services - Grant Thornton Audit Pty Ltd	126,864	122,028
Audit and review of financial statements	126,864	122,028
Other services - Grant Thornton Australia Limited		
In relation to taxation	9,458	20,000
In relation to other services	4,000	15,522
	140,322	**157,551**

29. FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- 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 Group's Directors have overall responsibility for the establishment and oversight of the risk management framework. 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 their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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29. FINANCIAL INSTRUMENTS (continued)

(i) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Synertec does not have any expected credit loss as debtor exposures primarily relate to blue-chip tier-1 customers. Further, all debtor balances remain current and debtor-days remain within the Group's 30-40 day target range.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

		Carrying amount	
	Note	30 June 2025	30 June 2024
Trade and other receivables	12	2,382,469	2,161,879
Cash and cash equivalents	11	3,699,388	6,418,918
Deposits	15	40,264	40,316
Investment (Convertible note)	17	1,000,000	-
		7,122,121	**8,621,113**

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. As the Group provides services under contract, each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group historically has had negligible bad debts and as such does not consider it necessary to establish an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The Group does not require collateral in respect of trade and other receivables. The maximum exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was as follows.

		Carrying amount	
	Note	30 June 2025	30 June 2024
Australia		2,382,469	2,161,879
		2,382,469	**2,161,879**

The Group's most significant balance outstanding to an external single customer, accounts for $436,481 of the trade and other receivables carrying amount at 30 June 2025 (30 June 2024: $574,799). The amount was received subsequent to year end within the agreed terms.

Impairment losses

The aging of the trade and other receivables balance at the end of the reporting period that were not impaired was as follows:

Neither past due nor impaired	2,133,793	1,991,521
Past due 1-30 days	248,676	170,357
	2,382,469	**2,161,879**

Cash and cash equivalents (including deposits)

The Group held cash and cash equivalents of $3,699,388 at 30 June 2025 (30 June 2024: $6,418,918) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with a reputable bank and financial institution counterparties.

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29. FINANCIAL INSTRUMENTS (continued)

Cash and cash equivalents (including deposits) (continued)

ii) 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 uses detailed project plans, which assists it in monitoring cash flow requirements and optimising its cash return on projects delivered. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 60 days.

The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. At 30 June 2025, the expected cash flows from trade and other receivables maturing within two months are $2,382,469 (30 June 2024: $2,161,879). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. After the year end, $2,161,935 out of the amount due at 30 June 2025 has been received.

In FY24, the Group entered into a $15 million Funding Facility Agreement with Altor Capital Management, comprising two tranches – Tranche 1 of up to $10 million and Tranche 2 of up to $5 million. Subject to meeting certain specified pre-conditions, the Group can draw down on these Tranches (minimum drawdown of $1 million) for working capital purposes.

As at the reporting date, the Group had utilised $3,500,000 under the Facility Agreement.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2025

		Contractual cashflows			
Non-derivative financial liabilities	**Carrying amount**	**Total**	**0-1 years**	**1-2 years**	**2-5 years**
Lease liabilities	1,697,315	1,697,315	456,076	481,550	759,689
Interest bearing liabilities	3,748,082	3,748,082	504,117	772,689	2,471,276
Trade and other payables	4,957,560	4,957,560	4,957,560	-	-
	10,402,957	**10,402,957**	**5,917,753**	**1,125,239**	**3,230,965**

30 June 2024

		Contractual cashflows			
Non-derivative financial liabilities	**Carrying amount**	**Total**	**0-1 years**	**1-2 years**	**2-5 years**
Lease liabilities	2,005,246	2,005,246	404,844	426,110	1,174,291
Trade and other payables	4,347,572	4,347,572	4,264,498	83,074	-
	6,352,818	**6,352,818**	**4,669,342**	**509,184**	**1,174,291**

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – 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.

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29. FINANCIAL INSTRUMENTS (continued)

(iii) Market risk (continued)

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases and cash and cash equivalents are denominated. The currencies in which these transactions are primarily denominated are AUD, EUR and USD. At any point in time, the Group typically holds EUR and USD in anticipation of future purchase orders.

The Group reviews the market regularly to evaluate if the cost of obtaining derivatives outweighs the risk of currency movement. They have not invested in any derivative financial assets. The Group has reviewed contract terms with customers where significant currency risk on purchase orders may occur, and have enforceable provisions protecting them from adverse currency movements. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows.

	30 June 2025			30 June 2024		
	USD	GPD	EURO	USD	GBP	EURO
Trade and other receivables	-	-	-	-	-	-
Cash and cash equivalents	4,998	2	4,145	12,423	2	3,713
Financial assets	**4,998**	**2**	**4,145**	**12,423**	**2**	**3,713**
Trade and other payables	-	-	-	14,819	25,643	27,768
Financial liabilities	**-**	**-**	**-**	**14,819**	**25,643**	**27,768**
Net exposure	**4,998**	**2**	**4,145**	**27,242**	**25,645**	**31,481**

Currency risk sensitivity analysis for currencies in which monetary assets are held

A reasonably possible change of 10% in exchange rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes an increase/(decrease) in the value of the Australian dollar against the currencies shown below.

	Profit or loss, net of tax		Equity, net of tax	
	10% increase	10% decrease	10% increase	10% decrease
30 June 2025				
USD	(318)	318	(318)	318
Euro	(264)	322	(264)	322
Currency exchange risk (net)	**(582)**	**640**	**(582)**	**640**
30 June 2024				
USD	(791)	966	(791)	966
Euro	(236)	289	(236)	289
Currency exchange risk (net)	**(1,027)**	**1,255**	**(1,027)**	**1,255**

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal amount	
Variable rate instruments	**30 June 2025**	**30 June 2024**
	3-month	3-month
Altor Funding	BBSY + 9%	BBSY + 9%

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Notes to The Financial Statements

29. FINANCIAL INSTRUMENTS (continued)

(iii) Market risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 1% in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

$3.5million current borrowing with Altor is used to calculate the below interest rate impact.

	Profit or loss		Equity, net of tax	
30 June 2025	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Variable rate instruments	35,000	(35,000)	35,000	(35,000)
Cash flow sensitivity (net)	35,000	(35,000)	35,000	(35,000)
30 June 2024				
Variable rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-

Capital Management

The Board's policy is to maintain a strong capital base to sustain future development of the business. Capital consists of total equity. The Directors monitor the return on capital as well as the level of dividends to ordinary shareholders.

The Directors seek to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

30. INTEREST IN SUBSIDIARIES

Composition of the Group

Name of subsidiary	Country of incorporation / principle place of business	Principal activity	Group proportion of ownership interests	
			30 June2025	**30 June 2024**
Synertec Holdings Pty Ltd	Australia	Holding company	100%	100%
Synertec Pty Ltd	Australia	Engineering products and solutions	100%	100%
Powerhouse (by Synertec) Pty Ltd	Australia	Technology solutions	100%	100%
Powerhouse by Synertec, Inc	United States	Technology solutions	100%	100%

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Notes to The Financial Statements

31. SUBSEQUENT EVENTS

Post year end the Group entered into a $4 million funding termsheet with Altor Capital Management on 29th August 2025, comprising two tranches – Tranche 3 of up to $2.5million and Tranche 4 of up to $1.5 million (Note Tranche 1 and Tranche 2 relate to the original facility) . Subject to meeting certain specified pre-conditions, the Group can draw down on these Tranches (minimum drawdown of $0.5 million) for working capital purposes. As at the reporting date, the Group had not utilised any of the funding available under this new facility.

Interest Rate & Term

Fixed interest of 16% with 1st drawdown post 1st October. Facility term of 18 months.

Repayment

Interest on the facility may be accrued on lenders discretion. Principal to be repaid as a bullet repayment at the end of term.

Warrants

As part of the new agreement Synertec will

- Cancel 18.5 million warrants issued as part of original facility. The value of capitalised borrowing costs is $0.8 million at the end of June 25. Any reclassification subsequent to year end will not have any profit and loss impact.
- Issue 7.8 million warrants as part of extension facility. Value of these warrants are yet to be determined.

Covenants

- EBITDA in line with FY26 organisation Budget
- Minimum Unrestricted Cash Balance requirements of $0.5 million
- All prior covenants from previous facility relating to EBITDA and Cash are aligned with above
- Revenue covenant from original facility is deferred for FY26 and to be remeasured from September 26
- Borrowing Base requirement from the original facility will continue to apply where the total amount drawn cannot exceed the borrowing base of 70% of the balance of:

a) Cash at bank plus;
b) Inventory plus;
c) Receivables plus;
d) Property, plant and equipment plus;
e) Contract assets

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Directors Declaration

1. In the opinion of the Directors of Synertec Corporation Limited (“the Group”):

(a) the financial statements and notes thereto, set out on pages 52 - 83:
(i) present fairly the financial position of the Group as at 30 June 2025 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date;
(ii) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements; and
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. In respect of the year ended 30 June 2025, the persons performing the roles of Chief Executive Officer and Chief Financial Officer have declared that the Company has:
(a) kept such accounting records as correctly record and explain its transactions and financial position;
(b) kept its accounting records such that financial statements of the Group that are presented fairly can be prepared from time to time; and
(c) kept its accounting records accordingly so that the financial statements of the Company can be conveniently and properly audited.

Signed in accordance with a resolution of the Directors:
For and on behalf of the Directors

Mr. Michael Carroll
Managing Director
Melbourne, Australia

29 August 2025

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Independent Auditor's Report

To the Members of Synertec Corporation Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Synertec Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Group presents fairly, in all material respects, the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date and is in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Material uncertainty related to going concern

We draw attention to Note 2.5 in the financial statements which identified the Group breached two (EBITDA and Revenue) of five covenants held with the financier. In addition, the Group incurred a net loss of $7,642,813 and operating cash outflows of $4,071,620 during the year ended 30 June 2025, and as of that date, the Group's current liabilities exceeded its current assets by $1,480,450. As stated in Note 2.5, these events or conditions, along with other matters as set forth in Note 2.5, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 of 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.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue (Notes 2.6 & 5)	
Synertec Corporation Limited recognises a portion of their revenue using the percentage completion input method for fixed price solutions. As these projects may be ongoing at year end there is significant estimation required when recognising the work in progress (contract asset) or deferred revenue (contract liability) and ensuring that the appropriate amount of revenue has been recognised under IFRS 15 *Contracts with Customers.* The engagement team has identified this area as a significant risk due to the significant judgement involved in estimating the percentage completion method for fixed price projects. Due to the number and nature of the significant estimates over the life of the revenue contracts and the specific contract terms relating to each individual contract, the engagement team has determined this as a key audit matter.	Our procedures included, amongst others: • Evaluating the Group's revenue recognition policy to ensure it is in line with IFRS 15; • Evaluating the design of relevant processes and controls relating to revenue initiation, processing and recording in the ledger; • Testing a sample of project revenue contracts based on quantitative and qualitative factors which may indicate that a greater level of judgement is required in recognising revenue. For those contracts selected for testing, the procedures undertaken included: – Reviewing the contract terms and conditions to evaluate how the individual characteristics of each contract were reflected in the contract profitability estimate; – Evaluating historical accuracy of forecast costs to complete to corroborate discussions with project managers; – Verifying the entitlement to contract modifications, variations and claims recognised within contract revenue to supporting documentation and the underlying contracts; – Assessing the forecast costs to complete and contract accruals through discussion and challenge of project managers; – Tracing key inputs into the revenue recognition calculation to underlying support and assessing the reasonableness of these inputs, including discussion of the project status with project managers and evaluating the accuracy of costs incurred to date; and • Assessing the adequacy of relevant financial statement disclosures for compliance in accordance with International Accounting Standards.

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Information other than the financial report and auditor's report thereon

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

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standards

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards of Auditing 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf.This description forms part of our auditor's report.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 29 August 2025

Shareholder Information

The shareholder information set out below was applicable as at 12 August 2025.

Unmarketable Parcels The number of unmarketable parcel holders as at 12 August 2025 based upon a share price of $0.025 (2.5 cents) is 327 shareholders holding in aggregate 2,382,138 shares.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of ordinary shares	% of ordinary shares	Number of holders unlisted options	Number of unlisted options	% of unlisted options	Number of holders of performance rights	Number of performance rights	% of performance rights
1-1,000	75	16,013	0.000	-	-	-	-	-	-
1,001-5,000	74	212,498	0.040	-	-	-	-	-	-
5,001-10,000	65	510,221	0.100	-	-	-	1	8,736	0.030
10,001-100,000	374	14,503,973	2.790	-	-	-	13	468,542	1.610
100,001- and over	243	504,091,713	97.060	3	9,600,000	100.000	3	28,609,702	98.360
Totals	831	**519,334,418**	**100.000**	**3**	**9,600,000**	**100.000**	**17**	**29,086,980**	**100.000**

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	**% of total Shares issued**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	118,504,773	22.819%
NORTHWEST NONFERROUS AUSTRALIA MINING PTY LTD	39,375,000	7.582%
KENSINGTON TRUST SINGAPORE LTD <MSC RETIREMENT A/C>	38,036,842	7.324%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	33,994,466	6.546%
CITICORP NOMINEES PTY LIMITED	27,982,571	5.388%
FIRST TRUSTEE COMPANY (NZ) LIMITED <IAN ROGER MOORE A/C>	20,000,000	3.851%
UBS NOMINEES PTY LTD	14,976,224	2.884%
MR ANDREW MACBRIDE PRICE <EST JOHN AM PRICE A/C>	8,750,000	1.685%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	8,545,344	1.645%
GP SECURITIES PTY LTD	6,000,000	1.155%
KIPBERG PTY LTD <EDP FAMILY A/C>	5,582,240	1.075%
CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	5,000,000	0.963%
MR JAMES LEE PARKS	5,000,000	0.963%
LYNTER PTY LTD <HERFORT SUPER FUND A/C>	4,500,000	0.866%
KENSINGTON TRUST SINGAPORE LTD <PINNACLE MCGA RETIREMENT A/C>	4,361,654	0.840%
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	4,200,000	0.809%
LJEG SMSF PTY LTD <LJEG SUPERFUND A/C>	3,554,232	0.684%
MR DAVID EDWIN HARRIS	3,497,826	0.674%
TWENTY TEN ENTERPRISES PTY LTD <TWENTY TEN INVESTMENTS A/C>	3,439,674	0.662%
LAVINIA INVESTMENTS PTY LTD <PYNT FAMILY SUPER A/C>	3,050,000	0.587%
Total Securities of Top 20 Holdings	**358,350,846**	**69.002**

Unquoted equity securities

	Number on issue	**Number of holders**
Options over ordinary shares issued	9,600,000	3
Performance rights over ordinary shares issued	29,086,980	17

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Shareholder Information

Substantial holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

	Ordinary shares	
	Number held	% of the total shares issued
Regal Funds Management Pty Limited and its associates	78,357,818	15.09
Perennial Value Management Limited	63,413,296	14.70
Kensington Trust Singapore Ltd	42,398,496	8.16
Northwest Nonferrous Australia Mining Pty Ltd (Northwest) and its Associates	39,375,000	7.58
SG Hiscock & Company Limited	33,398,092	6.43

*Indicative relevant interest in shares based on number of voting securities recorded as at the date of their last substantial shareholder notice lodged with ASX.

Share buy-back

There is no current on-market share buy-back.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

All issued shares carry voting rights on a one-for-one basis.

Unquoted Options

There are no voting rights attached to the unquoted options.

Performance Rights

There are no voting rights attached to the performance rights.

There are no other classes of equity securities.

Corporate Governance Statement

Refer to the Company's Corporate Governance statement at:
https://www.synertec.com.au/investors/corporate-governance/

Annual General Meeting

Synertec Corporation Limited advises that its Annual General Meeting will be held on Wednesday, 26 November 2025. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX in due course. In accordance with ASX Listing Rules and the Company's Bye-laws, the closing date for receipt of nominations for the position of Director are required to be lodged at the registered office of the Company by 5.00pm (AEDT) on 8 October 2025.

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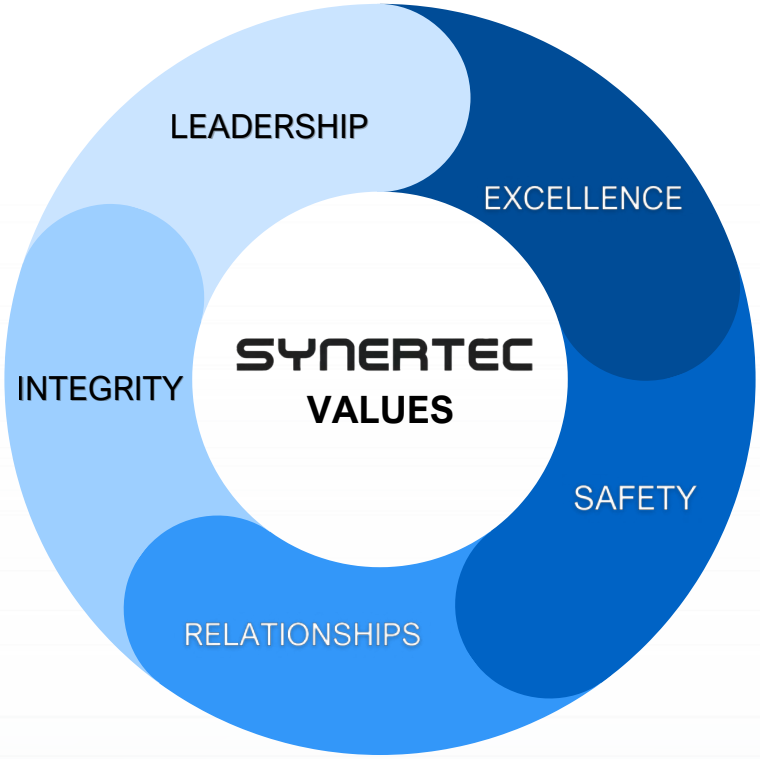
We are values driven and build strong relationships with our clients, stakeholders and each other.



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Synertec is dedicated to helping our partners towards a low emission future and has a strategic focus on developing and commercialising environmentally friendly and energy efficient technologies.

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