WESTSTAR INDUSTRIAL

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Annual Report 2025

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ABOUT

WestStar Industrial (ASX: WSI)
('WestStar' or the 'Company')

An Australian owned company that through its subsidiaries, Alltype Engineering, SIMPEC and Watmar Engineering, provides industrial project solutions centred around engineering, fabrication, construction and maintenance services within the resources, energy, oil and gas, petrochemical, defence, marine, water and infrastructure sectors.

OPERATING COMPANIES

ALLTYPE ENGINEERING

SIMPEC

WATMAR

OUR SERVICES

- Multidiscipline Construction Contracting
- Structural Mechanical Piping (SMP)
- Electrical and Instrumentation (E&I)
- Fabrication of Pipe Plate and Structural Steel
- Non-Process Infrastructure (NPI)
- Rotating Equipment Installation
- Fluid Systems Solutions, Equipment & Services
- Department of Defence, Supply & Maintenance
- Asset Management Services
- OEM Equipment, Technical Support, Parts and Services
- Maintenance Shutdowns and Turnarounds
- Design and Construct / EPC Projects
- Multidiscipline Turnkey Projects



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BOARD OF DIRECTORS



Philip Re
Non-Executive Chairman

Mr Philip Re is a Chartered Accountant, Chartered Secretary and a Member of the Institute of Company Directors who specialises in corporate advisory, corporate governance, mergers and acquisitions and investment banking for ASX listed Companies. Mr Re has held several board positions on various ASX listed companies over the years. Mr Re currently acts as chairman of ASX listed Corella Resources Ltd (ASX: CR9) and as a non-executive director of StreamPlay Studio Limited (ASX: SP8).

Special responsibilities: Nil

Other current directorships of Listed companies: Corella Resources Ltd (ASX: CR9) and StreamPlay Studio Limited (ASX: SP8).

Former directorships of Listed Companies in the last 3 years: Caprice Resources Ltd (ASX:CRS)



Robert Spadanuda
Group Chief Executive Officer & Managing Director

As the founding Group CEO of WestStar Industrial Limited (ASX:WSI), Mr Spadanuda oversaw the formation of the business and subsequent listing on the ASX in 2016. He has spent the last nine years establishing and successfully implementing the strategic and operational strategy of WSI. With 34 years industry experience in a variety of construction services roles he brings a wealth of technical and commercial understanding across multiple disciplines, geographies and market segments. With the Group's expansive footprint and ever-expanding positive industry reputation, Mr Spadanuda has been instrumental in positioning WSI to meet its objectives and successfully grow within its pre-determined strategic plan.

Special responsibilities: Nil

Other current directorships of Listed companies: Nil

Former directorships of Listed Companies in the last 3 years: Nil



Lay Ann Ong
Non-Executive Director

Mr Lay Ann Ong is an experienced entrepreneur and executive, having held senior executive positions with both public and private companies globally over the last 24 years. Mr Ong has interests in various listed and unlisted companies in the property development, technology, commodities, energy, construction, and food and beverage sector in South-East Asia and Australia. Mr Ong has held Chairman and director positions within the WestStar Industrial Limited Group and is also director of ISDN Investments a wholly owned subsidiary of ISDN Holdings Limited, a company listed on the Singapore Exchange (SGX). Mr Ong holds a degree in Law from University of Manchester and a Master's in Business Administration from Manchester Business School.

Special responsibilities: Nil

Other current directorships of Listed companies: Nil

Former directorships of Listed Companies in the last 3 years: Nil

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EXECUTIVE TEAM



Kelvin Andrijich
Managing Director
Alltype Engineering

Kelvin has 27 years of experience in strategy, leadership, management, project delivery, operations, business development and estimating. He has held multiple directorships and executive roles in companies of varying size, geography and diversity, both in Australia and internationally.

Predominantly having worked within the Oil and Gas Industry, Kelvin also has worked in complimentary industries including Petrochemical, Power Generation, Processing, Marine, Resources and Water Infrastructure.

Kelvin's management knowledge and experience is underpinned by practical multidisciplined construction and fabrication works, including EPC delivery models, and extends through whole of life service and maintenance businesses including packaged compression, power generation and Oil and Gas processing equipment.



Mark Dimasi
Managing Director
SIMPEC

After a highly successful and dedicated 22 years with UGL, a life-long goal was achieved in 2017 when Mark and his younger brother David founded SIMPEC. In the company's short history SIMPEC has successfully secured and completed a variety of projects in the Design and Construction space for projects involving Lithium, Mineral Sands, Iron Ore, Alumina and Communications.

Mark has over 27 years' experience in senior project construction roles within Oil and Gas, Mining, Power and Wastewater industries throughout Australia. He has significant experience across a variety of disciplines, including Civil, Mechanical, Electrical, Instrumentation and Controls.

Mark is an inspirational and loyal leader who has a proven track record in developing technical strategy and improving share value by creating highly passionate and engaged teams that deliver excellent outcomes for clients whilst maintaining high standards of safety.



Stephen Harris
General Manager
Watmar Engineering

Stephen has a strong track record of achieving business growth organically, through strategic alliances and partnerships, and mergers and acquisitions, by building strong win-win relationships, delivering innovative solutions for clients, and fostering high-performance teams.

He has 27 years of experience in strategy, leadership, general management, commercial management, marketing, business development, innovation and Research & Development, and commercialisation.

His expertise spans Maintenance & Repairs Services, Original Equipment Manufacture, Technical Equipment & Componentry Sales, Professional Engineering Services, and industrial asset Construction. Stephen has held multiple executive roles in companies of varying size and geographic spread in Australia and internationally across various sectors, including Energy & Utilities, Mining & Mineral Processing, Defence & Marine, Infrastructure & Industrial, and Chemical Processing.

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GROUP CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR REPORT

OVERVIEW

WestStar Industrial Limited (Company or WestStar Industrial) (ASX: WSI), an Australian industrial services company, operating in the energy, resources, defence, marine, utility and infrastructure sectors, in metropolitan and remote areas, across Australia, is pleased to report on the Company's FY25 Annual Report.

FULL YEAR FINANCIAL HIGHLIGHTS

- Full Year Earnings (EBITDA) of $507,045
- Net Profit/(Loss) After Tax (NPAT) of ($3,414,951)
- Revenue of $130,758,200
- FY25 Alltype Engineering revenue $85,468,806
- FY25 SIMPEC revenue $39,081,737
- FY25 Watmar Engineering revenue $6,207,656
- Cash Holdings of $8.02M (including Cash Backed Bonds of $0.85M)
- Continued to build Pipeline of Opportunities, Secure Awards and Project Upgrades
- Projects continue to deliver profitability in a highly competitive market
- Debt NIL (excluding Surety Bonds)

RESULTS OF OPERATIONS

	Year ended 30 June 2025 $	Year ended 30 June 2024 $
EBITDA*	**507,045**	**8,236,458**
Depreciation and amortisation	(2,785,253)	(2,453,633)
EBIT	**(2,278,208)**	**5,782,825**
Share based payments	(1,257,060)	(1,099,853)
Interest costs	(1,083,125)	(672,797)
Bargain purchase on Acquisition of subsidiary	-	582,655
Net Profit / (loss) before tax	**(4,618,393)**	**4,592,830**
Income tax (expense)/benefit	1,203,442	(1,299,069)
Net Profit / (loss) after tax	**(3,414,951)**	**3,293,761**

* EBITDA is a non-AIFRS financial measure which is not prescribed by Australian Accounting Standards ('AAS')

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FINANCIAL PERFORMANCE

Having consistently maintained a strong order book of contracted revenue the Company has not had the opportunity to deliver earnings Group wide on a consolidated basis as it would have liked due to delays or withdrawal of major infrastructure and mining projects across Australia.

WestStar Industrial achieved Group Revenue of $130.7M in FY25 compared to $205.6M in FY24. The reduction in revenue was primarily due to the reduced revenue stream through SIMPEC. Whilst achieving Practical Completion on significant existing projects, the Company could not secure follow on works as unfortunately the opportunities tendered did not eventuate in the time period projected, with most projects being deferred until FY26.

Pleasingly, Alltype Engineering continued to deliver strong earnings in line with its revenue profile and gross margins and delivered solid earnings in FY25. This consistency continues to be testament to the commitment shown by the Alltype Engineering team in an environment where cost pressures and reduction in projects have had an impact on workflow.

REVENUE

WestStar Industrial recorded revenue for the full year of $130.7M, a decrease of 36.4% on the previous corresponding period.

Alltype Engineering achieved full year revenue of $85.5M, down by 7.2% on the prior corresponding period (FY24: $91.9M) with the Kurri Kurri Facilities Project now completed.

SIMPEC achieved full-year revenue of $39.1M, down 95.5% on the prior corresponding period (FY24: $110.6M) due to the reasons cited above.

Watmar Engineering achieved full year revenue of $6.2M, up 69.6% on the prior corresponding period (FY24: $3.0M) albeit for an 8-month period.

The Group has managed to deliver the revenue in line with the Group's strategic growth plans.

With a strong pipeline of new projects within the Group across a diverse range of industry sectors, the introduction of WATMAR has fast tracked WestStar Industrial into the Defence sector, which has a high barrier to entry and significant future capital and ongoing operational spend commitments that are not cyclical in nature, the rewards of which are now becoming beneficial Group wide.

EARNINGS

Earnings before interest, tax, depreciation and amortization (EBITDA) for the year ended 30 June 2025 was $0.5M, a decrease of 93.8% on the prior year (FY24: $8.2M), delivering an EBITDA margin percentage of 0.4%, a decrease on the prior year (FY24: 4.0%).

The Net loss after tax was ($3.4M) representing a decrease of 204% on the previous financial year (FY24: profit $3.3M).

The Company continues to focus on delivery of its projects with a defined objective of continually improving commercial outcomes through cost control and margin focus. Although project awards were delayed the company believes this commitment will hold it in good stead for future awards that can deliver positive earnings.

BALANCE SHEET

The Company's balance sheet total equity of $27.8M decreased by 7.2% on the prior comparative year (FY24 $30.0M). The Group held cash of $8.02M including cash backed bonds (refer Note 26) (30 June 2024: $16.6M incl cash backed bonds) and had a working capital surplus of $17.2M (30 June 2024: $16.4M)

Maintaining the strength of the balance sheet and a solid working capital surplus enables the Group to demonstrate and deliver the financial capacity appropriate for its growth targets, current commitments and potential opportunities.

With nil long-term debt (excluding Surety Bond facilities) the Group continues to effectively use its balance sheet to manage new projects, growth and explore strategic and earnings accretive acquisitions.

OPERATIONS

SIMPEC

After navigating a challenging year, SIMPEC is entering a period of renewed growth and opportunity, with financial performance showing encouraging momentum. Notably, the reported loss was consistent with industry indicators which are now pointing to a clear path toward with stronger results in the year ahead. Ultimately, a strengthened strategy, enhanced operational efficiencies and a growing pipeline of opportunities, position SIMPEC to achieve sustainable progress and long-term success.

Momentum is building across key areas of the business, strengthened by recent contract awards and active project mobilisation. Two standouts for this financial year are the awards of the **$17 million Pilbara Minerals Calix Mid-Stream Project** and the **$11 million Tianqi Lithium Project**, which both represent landmark achievements and further strengthens SIMPEC's presence within the lithium sector. The projects have been mobilised with construction activities already underway.



During the year the business has conducted several ECI's (Early Contractor Involvement) with major Western Australian clients. Many of these ECI's are still to convert to contracts, and we continue to work closely with our clients on these. Significant effort has gone into these submissions representing some of the most detailed and comprehensive ECI's SIMPEC has undertaken to date. If the ECI's convert, these projects will be transformational for the business over the next 12–18 months.

Commercial discussions also continue to progress on a number of high-potential projects, these opportunities reflecting strong growth potential and pipeline confidence heading into FY26.

From a safety perspective, SIMPEC's commitment remains unwavering. The business has demonstrated strong and continuous improvement in HSE performance throughout 2025. Maintaining nil Lost Time Injuries for eight consecutive years and with our Total Recordable Injury Frequency Rate (TRIFR) remaining well below industry benchmarks the company's commitment to employee safety and well-being is remarkable and remains steadfast. Our safety performance remains strong and highlights our continuous improvement mindset.

While the national tendering market remains active, broader industry challenges persist, including project delays, funding constraints, and competitive price pressure. These conditions continue to impact conversion rates across the sector. In response, SIMPEC is strategically diversifying its services and expanding into new sectors to build a more resilient, sustainable business. With this in mind, the business has successfully attained ISO 27001 certification in Information Security Management, marking a significant milestone in its strategic objective to diversify and generate additional revenue streams, particularly within high-security sectors such as Defence.

Building on the recent achievement of ISO 27001 certification, the business is now progressing through the application process for Defence Industry Security Program (DISP) membership. This membership will provide access to Defence security services and position the organisation as Defence-ready, including eligibility to act as a principal contractor on Defence-related projects. We have also achieved recognition as a Veteran Friendly Employer.

The business now has the following ISO accreditations and Federal Safety Commission accreditation. A testament to the team working towards the strategic objectives of the business.

Veteran Friendly Employer

Throughout the past year the business has continued to work on several projects including:

Alinta BESS Project WA

SIMPEC continues to progress works on the Alinta Battery Energy Storage System (BESS) Project in Wagerup, Western Australia. The project is being delivered in collaboration with Shanghai Electric Power Design Institute (SEPD) and Sunterra Energy Pty Ltd (SE), on behalf of Alinta Energy. This engagement strategically positions SIMPEC as a key player in the rapidly expanding battery storage sector, an essential element in supporting the transition to renewable energy.

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Acciona Kwinana Waste Energy Project

SIMPEC continued to support Acciona on the Kwinana Waste-to-Energy Project with professional and trade personnel engaged in construction and commissioning during FY 2025.

Building on this momentum, SIMPEC has secured a new contract to provide commissioning support for the East Rockingham Waste-to-Energy Project, with mobilisation expected in Q3 2025.

These engagements reinforce SIMPEC's position as a trusted partner in the delivery of energy infrastructure.

VOPAK Botany Maintenance

SIMPEC continues to deliver mechanical and electrical maintenance services for our client VOPAK at the Botany Bay Fuel Terminal NSW. This contract aligns with our strategy to gain further exposure to the sustaining capital and maintenance projects.

East Coast projects

SIMPEC's engagement in major East Coast Infrastructure Projects directly supports our strategic objective to expand across Australia. Building on the successful delivery of the M5 Tunnel, our presence continues to strengthen.



Works have continued for the electrical and communications packages for the Hitachi GTSA Metronet and Southwest Line Projects. This project highlights our technical capability, delivery track record, and ability to secure repeat work with key industry partners.

Our collaboration with Hitachi on the Southwest Line upgrade further demonstrates our capacity to deploy skilled personnel to high-profile projects.

The team have also mobilised a small technical team to Melbourne for the West Gate Infrastructure Project.

These developments reinforce SIMPEC's growing reputation as a trusted contractor in complex infrastructure delivery on the East Coast.

Client Engagements

Strong ongoing engagement with key clients is reinforcing long-term relationships and generating new opportunities across a broader range of industries.

The talent pool in WA has grown significantly in recent months, positively impacting our ability to mobilise projects and strengthening our talent pool for upcoming works.

Outlook

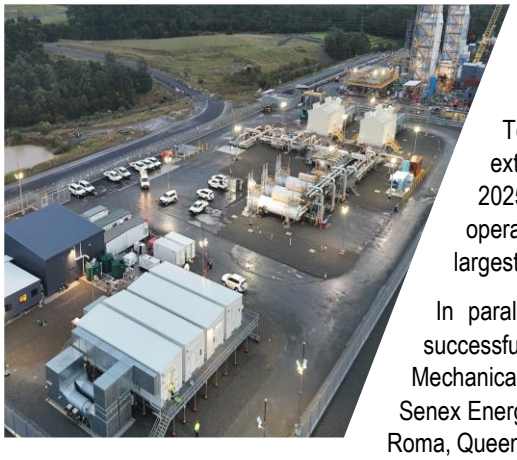
SIMPEC remains firmly focused on safety, operational excellence and strategic growth. With growing activity in renewable energy, infrastructure and defence, our diversified pipeline and targeted market approach continue to place the business in a strong position for FY25-26 to achieve sustainable success and capitalise on emerging opportunities.



ALLTYPE ENGINEERING | CELEBRATING 40 YEARS

Alltype Engineering maintained similar revenue in FY25 to FY24, despite entering the year with a lower backlog and softer market conditions with a segmented revenue slightly less than FY24 ($91.9M) being $85.5M, delivering a net profit of $3.04M and an EBITDA of $4.95M.

Given the significant delay and cancellation of various major projects, the result exceeded both revenue and EBITDA budgets.

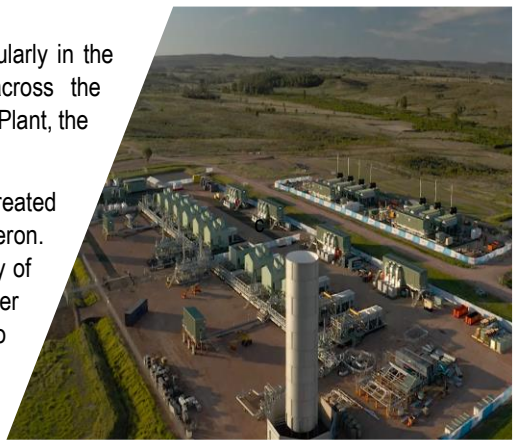


In July 2023, Alltype Engineering was awarded the Kurri Kurri Storage Station, an offtake and compression facility to power a new gas fired peak power generation station in the Hunter Valley, New South Wales.

Technical complexities, unseasonal weather impacts and flooding all contributed to an extended delivery duration however the project achieved practical completion in early 2025, with final demobilisation from site completed in May 2025. The facilities are now operational, and it was a stellar achievement by the team to deliver the company's single largest contract in its 40-year history.

In parallel to the completion of this major turnkey project, Alltype Engineering further successfully demonstrated its national project delivery capability by completing the Structural Mechanical Piping construction scopes for three gas processing and compression facilities for Senex Energy being Atlas Phase A, Atlas Phase B near Wandoan, Queensland and MIMAS near Roma, Queensland. With practical completion achieved on all three safely and successfully, another key strategic objective was achieved by the company which has provided significant client visibility across the country on upcoming gas developments with processing and compression facilities.

Public infrastructure works continued to support business as usual revenue, particularly in the water infrastructure space with contracts being progressed and completed across the metropolitan and regional areas including the Woodman Point Wastewater Treatment Plant, the Point Peron SDOOL project and the new Alkimos Desalination plant.



The SDOOL (Sepia Depression Ocean Outlet Landline) is a pipeline conveying treated wastewater in Peth's south metropolitan area to the ocean outfall offshore from Point Peron. As part of construction of a new transition tower to increase capacity, on the last day of the financial year, the Alltype Engineering team successfully completed Water Corporation's biggest shutdown, the most risky operation they have ever allowed to occur on their network, cutting out a section of their only outfall line for the southern catchment, fraught with danger, but executed seamlessly with military precision following months of planning meetings.

The domestic gas industry continued to generate FY25 revenue and future opportunities for debottlenecking and upgrades, gas laterals and offtakes for various clients.

In Western Australia, the workshop utilisation was lower commensurate with market conditions and increasing overseas competition, however careful overhead and cost controls measures allowed it to perform satisfactorily with consistent, reliable fabrication services for piping, tanks, steel, pressure vessels, skids and modules across a multitude of industries and clients, including our own internal supply chain.

The commitment, skill and dedication of our teams of people across the country have once again done an outstanding job in delivering another excellent result for the company and we thank our clients and business partners for their support once again.

Health, Safety, and Environment (HSE) Performance

Alltype Engineering maintained and improved its steady safety record with a Total Recordable Injury Frequency Rate (TRIFR) well below industry benchmarks, including the manufacturing sector, across the workshop, metropolitan and remote sites.

This outcome validates the company's successful roll out of "Our Safe Behaviours" program for management of High Risk Hazards which focuses on mitigating risk associated with serious consequence tasks and exposures which ultimately are part of industrial fabrication and construction.

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Once again, given the large number of kilometres flown and driven by our teams to remote and metropolitan areas, it is a testament to our employees commuting and travelling to work and home safely every day, all over the country.

Operational Outlook

The Company heads into FY26 with its lowest secured backlog since FY21, however there is a solid pipeline of new opportunities with varying contract values, commencement and completion dates that provide confidence in continuation of longer-term strategic growth and business performance.

Focus on rebuilding the order book and securing revenue has been a priority for the company over the past 12 months and we expect to see a positive outcome on many of these tenders upon completion of evaluation and negotiation.

With the Federal and State Elections now concluded and the reinvigoration of natural gas as a domestic energy transition fuel source, significant opportunities are anticipated in core operations around production, processing, compression and power generation projects across the country.

Water Corporation in Western Australia has major investment budgeted across the network and with the aforementioned project successes in this space, combined with the company's turnkey delivery capabilities, we see opportunity for expansion and securing of future works in this space.

The company continues to consider and field numerous new opportunities across the country, across multiple industries. Further opportunities via strategic alliances with technology providers and specialists as well as partnering with complimentary services providers are anticipated in the year ahead.



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WATMAR

The Royal Australian Navy and its Maritime Sustainment Division – representing the Department of Defence, and correspondingly the Commonwealth of Australia – and their Prime contractors including Babcock International, Thales Australia, BAE Systems Australia, and Navantia Australia continue to be Watmar Engineering's most critical clients.

Key projects continuing and/or completed during the period include:

- RMP-W Maintenance Campaigns for Defence Australia Vessels in WA for Babcock International;
- RMP-E Maintenance Campaigns for Defence Australia Vessels in NSW for Thales Marine Systems;
- Supply of corrective and preventative maintenance spares to the Maritime Sustainment Division, Defence Australia;
- Refurbishment of a Liquid Fuel Forwarding Skid for Territory Generation (NT);
- Preservation, packaging and supply of used specialist Liquid Fuel Forwarding Skid componentry and instrumentation to Rio Tinto Iron Ore;
- Asset maintenance, troubleshooting and reactive maintenance for critical Emergency Diesel Generators for a Perth Tertiary Hospital; and
- Mechanical and Fluid System maintenance and modifications for the re-build of the Sail Training Ship Leeuwin II.

Financial performance was materially impacted by:

- historic (pre-business-acquisition) contractual obligations for which the business has executed client collaboration programs, which included good faith measures in demonstration of Watmar Engineering's commitment to long-term, sustainable, mutually beneficial client relationships ($0.44M); and
- write down of pre-business-acquisition inventory ($0.29M).



Health, Safety and Environment (HSE) Performance

Watmar Engineering maintained a steady safety record with HSE measures below industry benchmarks.

ISO17025 (NATA) and ISO3834 (Welding / Factory Production Control System) were successfully completed during the period.

Operational Outlook

Standing Offer Contracts for the Maritime Sustainment Division, Defence Australia are in process of being extended, with price escalations applicable.

The RME-E subcontract with Thales Australia has been extended, with price escalations applicable, for continuing Defence Australia Maritime Sustainment business activities in New South Wales.

A new General Services Agreement is in negotiation for RMP-W with Babcock International, for continuation of Defence Australia Maritime Sustainment business activities in Western Australia.

Business development efforts continue to identify further opportunities with new and emerging clients in Western Australia in various of its key Resource sector regions, New South Wales, South Australia, and in the Northern Territory. These new opportunities are aligned to the Business Strategy and Plan for diversified and recurring revenue streams.

CLOSING

WestStar Industrial today has provided its financial performance for the year ending FY25 and despite the result, has a confident outlook for the upcoming fiscal year (FY26).

While the past year presented considerable obstacles, resulting in challenging financial outcomes, the Company is now well-positioned to capitalise on strategic investments in market development and tendering undertaken during this period.

The performance was largely impacted by the softening of commodities pricing, particularly lithium and nickel, as well as the completion of major capital works across the country.

These challenging market conditions, compounded by global, federal and state elections in the past year has resulted in what appears to be pauses in investment in new projects, and as such revenues are down across the board at WestStar Industrial.

Whilst these events over the past year have resulted in some projects tendered by both Alltype Engineering and SIMPEC to be placed on hold, we continue to remain optimistic that development of the Australian energy transition and sustaining capital works tendered will open further opportunities over the medium to longer term.

Whilst strong fundamentals to long-term resources and energy demand will continue to fuel contract opportunities Group wide, diversity remains the key strategy to a sustainable earnings profile.

Despite these conditions, focus has remained on cost control and as such the company has sustained its core functional strength and experience key to capitalise on the pipeline of works that has been growing over the past 12 months.

WestStar Industrial is confident that our strategic initiatives and a more stable operating environment will drive a strong turnaround in the coming year in core business activities with new awards expected early in FY26 underpinning an improvement in earnings.

SIMPEC has started the financial year with two new awards and a significant increase in near term opportunities to turn around this year's results. The results are a function of significant reduction in revenue through the lack of awarded projects in what has been a highly competitive market.

In this highly competitive market, SIMPEC must maintain its disciplined approach to contract negotiations to secure contracts that add earnings value to the overall Group whilst still trying to maintain its skilled workforce to deliver on future works that have had significant delays in coming online.

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The Board is encouraged to see SIMPEC now securing new work, providing a solid foundation for FY26 work in hand.

Post June 30, 2025, SIMPEC has circa $35M of work-in-hand with these newly secured contracts, along with existing works and numerous ECI opportunities that will deliver a strong start to FY26.

SIMPEC received an award for the supply and installation of the structural, mechanical, piping, electrical and instrumentation (SMPE&I) packages for the Mid-Stream Demonstration Plant Project at PLS' Pilgangoora lithium operation in the Pilbara, WA valued at circa **$17 million**.

Construction has commenced and is scheduled to be completed in Q4 FY26

The Mid-Stream Demonstration Plant JV, an unincorporated joint venture between Pilbara Minerals Limited (PLS) and Calix Limited (Calix), aims to construct and operate a demonstration-scale plant featuring an industrial-scale electric spodumene calciner.

Delivering a more lithium-enriched mid-stream product has the potential for industry-wide benefits including lower carbon emissions through the reduced transport of waste, greater utilisation of the mineral resource and overall value creation.

Additionally, SIMPEC was awarded a new contract valued at approximately **$11 million** for the delivery of civil, structural, mechanical, piping (SMP), electrical, and instrumentation (E&I) works at the Tianqi Lithium operations in Kwinana, Western Australia.

This project too has commenced and is scheduled to be completed in Q1, FY26.

The objective of the project is to enhance capacity within the existing processing facility through the installation of new mechanical equipment. The works are being executed within a live operational environment, requiring a high level of integration and coordination to support continuous plant performance.

We look forward to working closely with Tianqi Lithium Kwinana to deliver this important project safely, efficiently, and to the highest quality standards.

Both contracts reinforce SIMPEC's civil, SMPE&I capabilities and aligns with SIMPEC's strategy to support Australia's energy transition and demonstrates the Company's track record of delivering for its clients.

Alltype Engineering has again delivered a profitable outcome in a competitive market through its diverse client base both locally and nationally and is to be commended on another successful year whilst enduring these softening market conditions.

The successful delivery of Kurri Kurri for APA Group in NSW was a major milestone for Alltype Engineering in a challenging market and environment in what was its largest contract undertaken in its history. Completing this project after two years of investment in parallel to three separate gas compression and processing facilities in Queensland demonstrate the ability to deliver complex multidisciplinary projects on a national footprint.

Watmar Engineering continues to deliver its diversification strategy to the Group. Whilst the results at this stage have not delivered the expected returns, the underlying value this business represents contributes new opportunities and activities Group wide, particularly in its defence-based contract profile.

The Group is looking to capitalise on these opportunities moving forward to deliver stronger opportunities and increased scope profile for Watmar through the support by both Alltype Engineering and SIMPEC.

WestStar Industrial will demonstrate that it can diversify and deliver earnings growth and stability through strategic accretive acquisitions, to stabilise earnings, not restricted to revenue from lump sum contracting for mining and resource-based projects.

It is important to note that all historic investment opportunities have been delivered with existing cash reserves and without the necessity for debt funding.

The Company continues to progress its construction works and services across the country, primarily in Western Australia, New South Wales and Queensland, maintaining its strong reputation with its valued customer base on a national footprint.

We would like to thank all teams for their individual contributions to each company and thank our long-term supportive shareholders, for their investment and commitment.



Robert Spadanuda
Group Chief Executive Officer and Managing Director
WestStar Industrial Limited

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FINANCIAL REPORT

DIRECTORS' REPORT

The Directors of WestStar Industrial Limited submit the financial report of WestStar Industrial Limited ("the Company") and its controlled entities ("the Group" or "Consolidated Entity") for the year ended 30 June 2025. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

DIRECTORS

The names, qualifications, and experience of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Philip Re, Non-Executive Chairman

Appointed 28 March 2017

Mr Philip Re is a Chartered Accountant, Chartered Secretary and a Member of the Institute of Company Directors who specialises in corporate advisory, corporate governance, mergers and acquisitions and investment banking for ASX listed Companies. Mr Re has held several board positions on various ASX listed companies over the years. Mr Re currently acts as chairman of ASX listed Corella Resources Ltd (ASX: CR9) and as a non-executive director of StreamPlay Studio Limited (ASX: SP8) and Caprice Resources Ltd (ASX:CRS).

Special responsibilities: Nil
Other current directorships of Listed companies: Corella Resources Ltd (ASX: CR9); StreamPlay Studio Limited (ASX: SP8) and Caprice Resources Ltd (ASX:CRS)
Former directorships of Listed Companies in the last 3 years: Nil

Mr Robert Spadanuda, Group Chief Executive Officer and Managing Director

Appointed 24 September 2021

As the founding Group CEO of WestStar Industrial Limited (ASX: WSI), Mr Spadanuda oversaw the formation of the business and subsequent listing on the ASX in 2016. He has spent the last nine years establishing and successfully implementing the strategic and operational strategy of WSI.

With 34 years industry experience in a variety of construction services roles he brings a wealth of technical and commercial understanding across multiple disciplines, geographies and market segments.

With the Group's expansive footprint and ever-expanding positive industry reputation, Mr Spadanuda has been instrumental in positioning WSI to meet its objectives and successfully grow within its pre-determined strategic plan.

Special responsibilities: Nil
Other current directorships of Listed companies: Nil
Former directorships of Listed Companies in the last 3 years: Nil

Mr Lay Ann Ong, Non-Executive Director

Appointed 10 September 2015

Mr Lay Ann Ong is an experienced entrepreneur and executive, having held senior executive positions with both public and private companies globally over the last 24 years. Mr Ong has interests in various listed and unlisted companies in the property development, technology, commodities, energy, construction, and food and beverage sector in South-East Asia and Australia. Mr Ong has held Chairman and director positions within the WestStar Industrial Limited Group and is also director of ISDN Investments a wholly owned subsidiary of ISDN Holdings Limited, a company listed on the SGX. Mr Ong holds a degree in Law from University of Manchester and a Master's in Business Administration from Manchester Business School.

Special responsibilities: Nil

Other current directorships of Listed companies: Nil

Former directorships of Listed Companies in the last 3 years: Nil

Mr Stuart Third, Company Secretary

Appointed 3 June 2024

Mr Third is an Associate Member of the Governance Institute of Australia and a Fellow of Chartered Accountants Australia and New Zealand having experience in providing company secretarial, corporate governance, financial reporting and taxation services.

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INTERESTS IN THE SECURITIES OF THE COMPANY

At the date of this report, the interests of the Directors in the securities of WestStar Industrial Limited are:

Director	Ordinary Shares	Performance Rights
Mr Lay Ann Ong	7,754,369	2,000,000
Mr Philip Re	594,251	3,500,000
Mr Robert Spadanuda	10,430,322	3,500,000

RESULTS OF OPERATIONS

WestStar Industrial Limited posted a net loss after taxation of ($3,414,951) for the year to 30 June 2025 (2024: profit $3,293,761). Based on this result, the Company posted an underlying EBITDA of $507,045 (2024: $8,236,458) as calculated below.

	Year ended 30 June 2025 $	Year ended 30 June 2024 $
EBITDA *	**507,045**	**8,236,458**
Add/ (Less):		
Income tax (expense) / benefit	1,203,442	(1,299,069)
Interest and financing costs	(1,083,125)	(672,797)
Depreciation and amortisation	(2,785,253)	(2,453,633)
Share Based Payments	(1,257,060)	(1,099,853)
	(3,921,996)	(5,525,352)
Add:		
Bargain purchase on Acquisition of subsidiary	-	582,655
Net Profit / (Loss) after Income tax	**(3,414,951)**	**3,293,761**

*EBITDA is a non-AIFRS financial measure which is not prescribed by Australian Accounting Standards ('AAS')

CORPORATE

During the financial year 9,000,000 Performance Rights with various performance conditions were granted to Directors of the Company. In addition, 1,500,000 Performance Rights with various performance conditions expired without the conditions being satisfied.

As at 30 June 2025 WestStar Industrial had a cash position of $7.2 million (30 June 2024: $13.7 million) with no material debt or borrowings.

DIVIDENDS

No dividend was paid or declared by the Company during the year and up to the date of this report.

CORPORATE STRUCTURE

WestStar Industrial Limited is a company limited by shares, which is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of companies within the Group during the financial year was the provision of an industrial services company providing engineering, fabrication, construction and maintenance services within the resources, energy, oil and gas, petrochemical, water, defence and infrastructure sectors. The Company's key operating subsidiaries are SIMPEC, a construction contractor with specialist experience in both Structural, Mechanical and Piping (SMP), and Electrical and Instrumentation (E&I) works); Alltype Engineering offering complete project solutions including SMP and E&I site installation, construction and maintenance services across almost every industry in Australia; and Watmar Engineering, a fluid systems engineering specialist providing services to the Defence and Marine sectors.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than disclosed elsewhere in this Directors report, there have been no significant changes in the state of affairs of the Group which occurred during the financial year.

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SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Group and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 30 June 2025.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company are set out in the above review of operations in this Annual Report.

Any future prospects are dependent upon the success of the Company's operational subsidiaries.

INDEMNIFYING OFFICERS OR AUDITOR

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr Lay Ann Ong	6	5
Mr Philip Re	6	6
Mr Robert Spadanuda	6	6

NON-AUDIT SERVICES

No non-audit services were provided by the Company's auditor, Armada Audit & Assurance Pty Ltd.

SHARE OPTIONS

As at the date of this report, the Company has Nil options on issue.

PERFORMANCE RIGHTS

9,000,000 performance rights were issued during the financial year. 1,500,000 performance rights expired during the financial year. As at the date of this report, the Company has 9,000,000 performance rights on issue which expire on 24 December 2027.

The value of performance rights recognised at 30 June 2025 was $157,060 (2024: $119,853).

AUDITOR INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of the Company with an Independence Declaration in relation to the audit of the full year financial report. The Independence Declaration forms part of this Directors' Report. A copy of that declaration is included in this annual report.

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AUDITED REMUNERATION REPORT

This report outlines the remuneration arrangements in place for Directors and executives of WestStar Industrial Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Details of Key Management Personnel

The Directors and other key management personnel of the Group during or since the end of the financial year were:

Mr Philip Re	Non-Executive Chairman
Mr Lay Ann Ong	Non-Executive Director
Mr Robert Spadanuda	Group CEO / Managing Director
Mr Mark Dimasi	Managing Director (SIMPEC Pty Ltd)
Mr Kelvin Andrijich	Managing Director (Alltype Engineering Pty Ltd)
Mr Stephen Harris	General Manager (Watmar Engineering Pty Ltd)
Mr Chris Manea	Director (Watmar Engineering Pty Ltd)

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and, if required, senior executives of the Company ("the Directors and senior executives"). These arrangements will be competitively set to attract and retain appropriately qualified and experienced Directors and senior executives.

The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team. The Board may obtain independent advice on the appropriateness of remuneration packages given trends in comparative companies both locally and internationally and the objectives of the Company's remuneration strategy. No such advice was obtained during the current year.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake this function as a full Board under the guidance of the charter.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

Non-Executive Director Remuneration

Non-Executive Directors are remunerated by way of fees, in the form of cash, non-cash benefits, where applicable superannuation contributions or salary sacrifice into equity and do not normally participate in schemes designed for the remuneration of executives.

Shareholders' approval must be obtained in relation to the overall limit set for the non-executive Directors' fees. The maximum aggregate remuneration approved by shareholders for non-executive Directors is $300,000 per annum. The Directors set the individual non-executive Director fees within the limit approved by shareholders.

Employment Contracts of Directors and Senior Executives

The employment contracts typically stipulate 3-month resignation periods. The Company may also at its sole discretion terminate an employment contract immediately by making a payment equal to the salary for the relevant period of notice. There are no employment contracts relating to Non-Executive Directors or the Company Secretary other than those outlined above.

Relationship between the Remuneration Policy and Company performance

The Directors considers that at this time, evaluation of the Company's financial performance using generally accepted measures such as total shareholder return or per Company comparison are not relevant as the Company has a limited trading history and is continuing to establish itself as outlined in the Directors' report. Fees for non-executive directors are not linked to the performance of the Group.

The earnings of the listed entity for the five years to 30 June 2025 are summarised below:

WestStar Industrial Limited	2025	2024	2023	2022	2021
Revenue ($'000)	130,758	205,599	304,275	181,799	71,764
NPAT ($'000)	(3,415)	3,294	1,759	4,310	837

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The factors that are considered to affect total shareholders return ('TSR') are summarised below:

WestStar Industrial Limited	2025	2024	2023	2022	2021
Dividends	-	-	-	-	-
Basic EPS (cents per share)	(2.77)	2.96	1.59	4.04	0.09[1]

[1] EPS has been restated adjusted for the 10:1 consolidation which occurred on 25 May 2022 as per AASB 133.

Loans to Directors and Executives

There were no loans to directors and executives during the financial year ended 30 June 2025.

Share-based Compensation

11M ordinary shares at an issue price of $0.10 per share were approved by shareholders on 26 November 2024 and issued to Key Management Personnel on 24 December 2024 (refer table below).

Options
There were no grants of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year. No options vested, lapsed or were exercised during the year.

Performance rights
9,000,000 performance rights were issued to directors during the financial year. 1,500,000 performance rights expired during the financial year. As at the date of this report, the Company has 9,000,000 performance rights on issue which expire on 24 December 2027.

Remuneration Expense Details for the Year Ended 30 June 2025

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the Company. Such amounts have been calculated in accordance with Australian Accounting Standards.

				Short Term Employee Benefits		Post-Employment Benefits		Share Based Payments	Total	
		Base Salary $	Directors Fees $	STIP $	Other $	Superannuation $	Term. benefits $	Shares, Options & Rights $	$	Percentage related to Performance %
Lay Ann Ong	2025	-	48,000	-	-	-	-	26,550 [1]	74,550	35.6%
	2024	-	48,000	-	-	-	-	22,343 [1]	70,343	31.8%
Philip Re	2025	-	120,000	-	-	13,800	-	46,463 [1]	180,263	25.8%
	2024	-	120,000	-	-	13,200	-	22,343 [1]	155,543	14.4%
Robert Spadanuda	2025	390,385	84,000	150,000 [2]	24,000	33,156	-	784,046 [1]	1,465,587	16.0%
	2024	350,000	84,000	-	24,000	27,405	-	75,167 [1]	560,572	13.4%
Management										
Mark Dimasi	2025	430,769	-	-	74,607 [3]	29,232	-	400,000 [1]	1,029,954	-
	2024	350,000	-	-	24,000	27,399	-	-	401,399	-
Kelvin Andrijich	2025	450,000	-	435,000 [4]	-	29,232	-	-	914,932	-
	2024	400,000	-	-	-	27,399	-	560,000	987,399	-
Stephen Harris	2025	223,723	-	-	-	24,854	-	-	248,577	-
	2024	78,122 [5]	-	-	-	8,468	-	-	86,590	-
Chris Manea	2025	180,000	30,000	-	-	24,150	-	-	234,150	-
	2024	180,000	12,000 [6]	-	-	21,120	-	70,000	283,120	-
Total	**2025**	**1,674,877**	**282,000**	**585,000**	**98,607**	**155,824**	**-**	**1,257,060**	**4,053,368**	**17.8%**
	2024	**1,358,122**	**264,000**	**-**	**48,000**	**124,991**	**-**	**749,853**	**2,544,966**	**15.2%**

1. Total value of Performance Rights recognised during each financial year as allocated to each key management personnel. On 24 November 2024 shareholders approved the grant of 9,000,000 Performance Rights to Directors (or their nominees) pursuant to the WestStar Performance Rights Plan. On 30 November 2020 shareholders approved the grant of up to 4,500,000 Performance Rights to Directors (or their nominees) pursuant to the WestStar Performance Rights Plan. On 5 January 2022, 1,500,000 Performance Rights were issued to Robert Spadanuda. On 1 December 2023, 4,500,000 Performance Rights expired and on 10 January 2025 a further 1,500,000 Performance Rights expired. The value of the Performance Rights at grant date was estimated using a Trinomial Model which considers the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. The total value of performance rights recognised at 30 June 2025 was $157,060 (2024: $119,853). 11M ordinary shares at an issue price of $0.10 per share were approved by shareholders on 26 November 2024 and issued to Mr Robert Spadanuda (7M) and Mr Mark Dimasi (4M) on 24 December 2024.
2. Mr Robert Spadanuda's STIP payment is based on an incentive scheme outcome in accordance with his Executive Agreement.
3. Mr Mark Dimasi received $50,607 as an annual leave pay out during 30 June 2025. This has been disclosed in "Other".
4. Mr Kelvin Andrijich' STIP value is a provision based on an incentive scheme outcome assessed over multiple years since acquisition.
5. Mr Stephen Harris commenced employment with Watmar Engineering on 16 January 2024.
6. Mr Chris Manea's Directors fees commenced from 1 January 2024.

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Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial year held by each director of WestStar Industrial Limited, including their personally related parties, is set out below.

Director	Held at 30 June 2024	Granted as compensation	Net change other	Held at 30 June 2025
Lay Ann Ong	7,754,369	-	-	7,754,369
Philip Re	345,255	-	248,996	594,251
Robert Spadanuda	3,430,322	7,000,000	-	10,430,322
Management				
Mark Dimasi	2,895,834	4,000,000	-	6,895,834
Kelvin Andrijich	10,435,932	-	-	10,435,932
Chris Manea	500,000	-	-	500,000

For the previous year ended 30 June 2024:

Director	Held at 30 June 2023	Granted as compensation	Net change other	Held at 30 June 2024
Lay Ann Ong	7,754,369	-	-	7,754,369
Philip Re	345,255	-	-	345,255
Robert Spadanuda	3,430,322	-	-	3,430,322
Management				
Mark Dimasi	2,895,834	-	-	2,895,834
Kelvin Andrijich	6,435,932	4,000,000	-	10,435,932
Chris Manea	-	500,000	-	500,000

Rights Holdings of Key Management Personnel

On 26 November 2024 shareholders approved the grant of up to 9,000,000 Performance Rights to Directors (or their nominees). The securities were issued on 24 December 2024. The value of the Performance Rights at grant date was estimated using a Trinomial Model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. On 10 January 2025 1,500,000 Performance Rights issued to Robert Spadanuda expired.

Total Performance Rights issued by Tranche by recipient:

Details	Tranche 1	Tranche 2	Tranche 3	Total
Philip Re	1,250,000	1,250,000	1,000,000	3,500,000
Robert Spadanuda	1,250,000	1,250,000	1,000,000	3,500,000
Lay Ann Ong	750,000	750,000	500,000	2,000,000
Total	**3,250,000**	**3,250,000**	**2,500,000**	**9,000,000**

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The terms and conditions for the performance rights issued are as follows:

Class	Performance Condition	Expiry Date	Fair value	Total Value of Tranche
Tranche 1 Performance Rights – 3,250,000	**Market Capitalisation - $17.5M** Tranche 1 Performance Rights will vest on the date that the Company's market capitalisation exceeds $17.5 million for a period of twenty (20) trading days. The Director/Employee must be a Director/Employee of the Group at the time the performance condition is met. (**"Tranche 1 Performance Condition"**)	27 December 2027	$0.074	$240,500
Tranche 2 Performance Rights - 3,250,000	**Market Capitalisation - $19.5M:** Tranche 2 Performance Rights will vest on the date that the Company's market capitalisation exceeds $19.5 million for a period of twenty (20) trading days. The Director/Employee must be a Director/Employee of the Group at the time the performance condition is met. (**"Tranche 2 Performance Condition"**)	27 December 2027	$0.0676	$219,700
Tranche 3 Performance Rights - 2,500,000	**Market Capitalisation - $22M:** Tranche 3 Performance Rights will vest on the date that the Company's market capitalisation exceeds $22 million for a period of twenty (20) trading days. The Director/Employee must be a Director/Employee of the Group at the time the performance condition is met. (**"Tranche 3 Performance Condition"**)	27 December 2027	$0.0617	$154,250

Other transactions with Key Management Personnel

Dimasi Family Trust
During the year, The Dimasi Family Trust, an entity related to Mr Mark Dimasi, was paid $94,855 (2024: $92,745) in relation to provision of administrative services for the Group.

Directors Fees
As at 30 June 2025 the amount outstanding from the Company to Mr Philip Re in relation to Directors' fees was $84,391 (2024: $132,000). As at 30 June 2025 the amount outstanding from the Company to Mr Lay Ann Ong in relation to Directors' fees was $152,000 (2024: $104,000).

End of Remuneration Report.

This Directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Philip Re
Non-Executive Chairman
Perth, Western Australia

25 September 2025

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AUDITING

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF WESTSTAR INDUSTRIAL LIMITED

I declare that to the best of my knowledge and belief, in relation to the audit of WestStar Industrial Limited and its subsidiaries for the year ended 30 June 2025 there have been:

(i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Armada Audit & Assurance

Armada Audit & Assurance Pty Ltd

Nigel Dias
Director

Dated this 25 September 2025, at Perth Western Australia

Armada Audit & Assurance Pty Ltd – ABN 52 618 974 119. A member of the Armada Group. Whilst the Armada Group logo is utilised by all members of the Armada Group, each member of the Armada Group is a separate legal entity in its own right and is not in partnership with any other members of the Armada Group. Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 $	30 June 2024 $
Revenue	4(a)	130,758,201	205,599,451
Cost of goods sold		(111,531,648)	(180,970,191)
Gross Margin		19,226,553	24,629,260
Other income	4(b)	1,147,185	2,006,933
Bargain purchase on business combination	6	-	582,655
Expenses:			
Occupancy expenses		(414,446)	(429,264)
Administration expenses	5(a)	(19,081,282)	(17,343,461)
Depreciation and amortisation	12(b)	(2,583,991)	(2,319,458)
Amortisation of customer relationships acquired	13	(201,262)	(134,175)
Finance costs	5(b)	(1,083,125)	(672,797)
Stock write-down		(290,560)	-
Expected credit loss		103,099	(585,321)
Share based payments expense	23	(1,257,060)	(1,099,853)
Foreign exchange gain / (loss)		(8,061)	(6,778)
Loss on sale of plant and equipment		(175,443)	(34,911)
Expenses		(24,992,131)	(22,626,018)
Profit / (loss) before income tax		**(4,618,393)**	**4,592,830**
Income tax (expense) / benefit	7(a)	1,203,442	(1,299,069)
Profit / (loss) after income tax		**(3,414,951)**	**3,293,761**
Discontinued Operations			
Profit after income tax from discontinued operations		-	-
Other Comprehensive Income			
Items that may be reclassified to profit or loss		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income		**(3,414,951)**	**3,293,761**
Earnings per share			
Basic and Diluted Earnings per share for the year attributable to the members of WestStar Industrial Limited (cents per share)	24	(2.77)	2.96

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

FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 $	30 June 2024 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	7,162,696	13,678,160
Trade and other receivables	9	12,280,469	22,338,776
Inventories		829,927	876,347
Financial assets	26	392,199	1,177,843
Contract assets	10	18,478,944	18,125,416
Total Current Assets		**39,144,235**	**56,196,542**
Non-Current Assets			
Financial assets	26	463,529	1,750,502
Trade and other receivables	9(c)	-	411,901
Investments		283,075	283,075
Property, plant & equipment	11	4,965,185	5,788,879
Right of Use Asset	12(a)	4,713,976	2,339,382
Deferred tax asset, net	7(d)	-	713,290
Intangible Assets	13	5,581,517	5,782,779
Total Non-Current Assets		**16,007,282**	**17,069,808**
Total Assets		**55,151,517**	**73,266,350**
LIABILITIES			
Current Liabilities			
Trade and other payables	14	13,677,196	28,315,995
Income tax payable	7(c)	2,634,837	5,032,694
Provisions	15	2,880,214	2,743,749
Lease liabilities	16	1,775,152	1,067,821
Contract liabilities	10	997,103	3,067,938
Total Current Liabilities		**21,964,502**	**40,228,197**
Non-Current Liabilities			
Deferred tax liability, net	7(d)	481,123	-
Provisions	15	360,315	473,921
Lease liabilities	16	4,519,320	2,580,085
Total Non-Current Liabilities		**5,360,759**	**3,054,006**
Total Liabilities		**27,325,261**	**43,282,203**
Net Assets		**27,826,256**	**29,984,147**
EQUITY			
Issued capital	21(a)	26,535,791	25,435,791
Reserves	22	119,476	187,916
Retained profits		1,170,989	4,360,440
Total Equity		**27,826,256**	**29,984,147**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 $	30 June 2024 $
Cash flows from operating activities			
Receipts from customers		152,438,807	237,011,634
Payments to suppliers and employees		(161,959,253)	(238,230,373)
Interest received		363,101	341,576
Interest paid		(399,554)	(277,663)
Other income		704,245	1,665,357
Net cash flows (used in) / provided by operating activities	8	**(8,852,654)**	**510,531**
Cash flows from investing activities			
Payment for financial assets		(415,865)	(1,721,165)
Proceeds from return of financial assets		2,490,078	1,318,278
Purchase of property, plant & equipment		(675,205)	(838,490)
Proceeds from disposal of property, plant & equipment		423,182	7,182
Acquisition of subsidiary, net of cash acquired		-	(801,057)
Net cash flows provided by / (used in) investing activities		**1,822,190**	**(2,035,252)**
Cash flows from financing activities			
Repayment from Unrelated parties as part of the Watmar acquisition		515,000	-
Loan to Unrelated parties as part of the Watmar acquisition		-	(911,901)
Net cash provided by / (used in) financing activities		**515,000**	**(911,901)**
Net decrease in cash and cash equivalents		(6,515,464)	(2,436,622)
Cash and cash equivalents at the beginning of the period		13,678,160	16,114,782
Cash and cash equivalents at the end of the period	8	**7,162,696**	**13,678,160**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Issued capital $	Retained earnings/ (Accumulated losses) $	Share based payment reserve $	Total $
At 1 July 2023		**24,455,791**	**379,625**	**755,117**	**25,590,533**
Profit for the year		-	3,293,761	-	3,293,761
Total comprehensive income for the year		-	3,293,761	-	3,293,761
Transactions with owners in their capacity as owners					
Transfer of expired performance rights value	22	-	482,610	(482,610)	-
Transfer of expired options value	22	-	204,444	(204,444)	-
Recognition of share-based payments	23	980,000	-	119,853	1,099,853
Transactions with owners in their capacity as owners		980,000	687,054	(567,201)	1,099,853
Balance at 30 June 2024		**25,435,791**	**4,360,440**	**187,916**	**29,984,147**

	Note	Issued capital $	Retained earnings $	Share based payment reserve $	Total $
At 1 July 2024		**25,435,791**	**4,360,440**	**187,916**	**29,984,147**
Profit / (loss) for the year		-	(3,414,951)	-	(3,414,951)
Total comprehensive income / (loss) for the year		-	(3,414,951)	-	(3,414,951)
Transactions with owners in their capacity as owners					
Transfer of expired performance rights value	22	-	225,500	(225,500)	-
Recognition of share-based payments	23	1,100,000	-	157,060	1,257,060
Transactions with owners in their capacity as owners		1,100,000	225,500	(68,440)	1,257,060
Balance at 30 June 2025		**26,535,791**	**1,170,989**	**119,476**	**27,826,256**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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1. Corporate

The financial report of WestStar Industrial Limited ("the Company") and its controlled entities ("the Group" or "Consolidated Entity") for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the directors on 25 September 2025.

WestStar Industrial Limited is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Basis of Preparation and Accounting Policies

(i) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and in compliance with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB). The financial report has also been prepared on historical cost except for, where applicable, the revaluation of certain classes of plant and equipment and available-for-sale investments which are measured at fair value. The presentation currency is Australian dollars. Except for the cash flow statement, the financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the measurement at FV of selected non-current assets, financial assets and financial liabilities.

(ii) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group posted a net loss after tax for the year ended 30 June 2025 of $3,414,951 (2024: profit of $3,293,761) and net operating cash outflows of $8,852,654 (2024: inflows $510,531). The Group reported total net cash outflows of $6,515,464 (2024: outflows $2,436,622). The Group had cash of $7,162,696 (2024: $13,678,160) and a working capital surplus of $17,179,733 as at 30 June 2025 (2024: surplus of $15,968,345). The directors believe the going concern basis of preparation is appropriate based on the forecast order book of work, the recovery of its debtors and contract assets post year and the cash flow forecasts prepared.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern. The directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate.

(iii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of WestStar Industrial Limited ('the Company') and its subsidiaries as at 30 June each year ('the Group').

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full.

(iv) Parent Information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in the notes.

(v) New, revised or amended Accounting Standards or Interpretations adopted

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

(vi) New accounting standards and interpretations issued not yet effective

The Directors have reviewed all Standards and Interpretations on issue but not yet adopted for the year ended 30 June 2025. As a result of this review the Directors have determined that there is no material impact, of the Standards and Interpretations on issue but not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(vii) Foreign Currency Translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of WestStar Industrial Limited is Australian dollars.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit of loss.

(iii) Group entities
On consolidation, the assets and liabilities of foreign operations are translated into dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(viii) Plant and Equipment

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation
The depreciable amount of all fixed assets is depreciated both on a diminishing value and straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset Depreciation Rate
- Plant and equipment 5% - 50%
- Motor Vehicles 12.5% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Derecognition
Plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the profit of loss.

(ix) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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(x) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(xi) Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(xii) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, it makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the profit of loss.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(xiii) Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Assessments of the collectability of trade receivables, including contract retentions are made on an ongoing basis. An allowance account for impaired trade receivables is made when there is objective evidence that the Group will not be able to collect the amounts owed according to the original terms. When a trade receivable is deemed uncollectible for which an impairment allowance has been recognised, it is written off against the allowance account.

Intercompany loans are impaired based on the ability of the subsidiaries to generate future cash flows to repay the loans. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified

(xiv) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above and bank overdrafts.

(xv) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable 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, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the 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 where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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(xvi) Trade and other payables

Liabilities for trade creditors and other amounts are initially measured at fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group and subsequently measured at amortised cost using the effective interest rate method.

(xvii) Income Tax

The income tax expense or benefit for the period is the tax payable on the current 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 difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

WestStar Industrial Limited (the 'head entity') and its wholly owned subsidiaries currently account for their own current and deferred tax amounts. The Company has formed a tax consolidated group which incorporates all entities in the Group. The tax disclosures in this report are prepared on a consolidated basis.

(xviii) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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(xix) Revenue

Revenue recognition accounting policy

The Group applies two approaches to recognising revenue to contracts with customers: either at a point in time or over time, depending on the manner the customer obtains control of the goods or services. Revenue is recognised over time if one of the following is met:

- The customer simultaneously receives and consumes the benefits as the Group performs;
- The customer controls the asset as the Group creates or enhances it; or
- The Group's performance does not create an asset for which the Group has an alternative use and there is a right to payment for the performance to date.

Revenue from contracts is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services. The following are the steps in determining revenue from contracts as prescribed by Five (5) Step Revenue Recognition Model introduced by AASB 15.

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation. Judgement is required in determining the timing of the transfer of control, at a point in time or over time, as well as in each of the five enumerated steps in the revenue recognition model above.

Performance obligations

Revenue is allocated to each performance obligation and recognised as the performance obligation is satisfied which may be at a point in time or over time. AASB 15 requires a detailed and technical approach to identify the different revenue streams (i.e. performance obligations) in a contract. This is done by identifying the different activities that are being undertaken and then aggregating only those where the different activities are significantly integrated or highly interdependent. Revenue is to be continuously recognised, on certain contracts over time, as a single performance obligation when the services are part of a series of distinct goods and services that are substantially integrated with the same pattern of transfer. The term over which revenue may be recognised is limited to the period for which the parties have enforceable rights and obligations. The Group performs engineering design and project delivery services. Construction and engineering contracts are assessed to identify the performance obligations contained in the contract. The total transaction price is allocated to each individual performance obligation. Typically, the Group's construction contracts contain a single performance obligation. The Group performs engineering design, construction and project delivery services. These activities in the contracts tend to be highly integrated and accordingly where appropriate will be accounted for as a single performance obligation.

Variable consideration

Variable consideration includes performance or other incentive fees or penalties associated with contracts. If the consideration in the contract includes a variable amount, the Group estimates the amount of the consideration to which it is entitled in exchange for transferring the goods and services to the customer. The variable consideration is estimated at contract inception and constrained to the extent that it is highly probable that a significant reversal in the amount recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. All revenue is stated net of the amount of goods and services tax (GST).

Construction and Engineering revenue (Satisfaction of the performance obligations)

The benefits being provided by the Group's construction work transfer to the customer as the work is performed and as such revenue is recognised over the duration of the project based on percentage complete. Percentage complete is generally measured according to the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs (input method). If this would not be representative of the stage of completion, then it is measured by reference to surveys of work performed (output method). When it is probable that total contract costs will exceed total contract revenue, the unavoidable loss is recognised as an expense immediately.

Forecast Cost to Complete

Forecast costs to complete construction contracts are regularly updated and are based on costs expected to be incurred when the related activity is undertaken. Key assumptions regarding costs to complete contracts include estimation of labour costs, technical costs, impact of delays and productivity. Construction contracts may incur additional costs in excess of original cost estimates. Liability for such costs may rest with the customer if considered to be a change to the original scope of works. Any additional contractual obligations, including liquidated damages, are also assessed to the extent these are due and payable under the contract. When it is considered probable that total contract costs will exceed total contract revenue, the contract is considered onerous and the present obligation under the contract is recognised immediately as a provision.

Contract modifications

Revenue in relation to modifications, such as a change in the scope or price (or both) of the contract, are to be included in the contract price when it is approved by the parties to the contract and the modification is enforceable. Approval of a contract modification can be in writing, by oral agreement or implied by customary business practices. Revenue estimated and recognised in relation to claims and variations is only included in the contract price to the extent that it is highly probable that a significant reversal in the amount recognised will not occur. In making this assessment, the Group considers a number of factors, including the nature of the claim, formal or informal acceptance by the customer of the validity of the claim, the stage of negotiations, assessments by independent experts and the historical outcome of similar claims to determine whether the enforceable and "highly probable" thresholds have been met.

Services revenue

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest income
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Contract assets
Contract assets represent the unbilled amount expected to be collected from customers for contract work performed to date. Cost includes all expenditure related directly to specific projects. Recognised profit is based on the percentage completion method and is determined using the costs incurred to date and the total forecast contract costs. The timing of cash inflows for contract assets is dependent on the status of processes underway to gain acceptance from customers as to the enforceability of recognised modifications resulting from contractual claims and variations. The Group pursues various options with customers to accelerate the inflow of cash including, but not limited to, negotiations, security of payment adjudications and arbitration involving the support of legal counsel and external consultants. Accordingly, there remains a risk that settlement of contract assets takes longer than 12 months.

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

(xx) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of WestStar Industrial Limited.

(xxi) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share
Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:
- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(xxii) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis and the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

(xxiii) Inventories

Inventories are measured at the lower of cost and net realisable value on weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(xxiv) Investment in Associates

Associates are companies in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Group's share of the net fair value of the associate exceeds the cost of investment is recognised in profit or loss in the period in which the investment is acquired.

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Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised. Details of the Group's investments in associates are provided in notes.

(xxv) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets recognised by the Company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial liabilities classified as held-for-trading, contingent consideration payable by the Company for the acquisition of a business, and financial liabilities designated at fair value through profit and loss (FVtPL), are subsequently measured at fair value.

All other financial liabilities recognised by the Company are subsequently measured at amortised cost.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days.

Consistent with both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables is subsequently measured at amortised cost.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approach to impairment, as applicable under AASB 9: *Financial Instruments*:

- the simplified approach

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Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

Non-derivative financial liabilities
Financial liabilities are recognised initially on the trade date at which the Group becomes party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. The Group's non-derivative financial liabilities comprise Lease liability, Deferred acquisition consideration and Trade and other payables.

(xxvi) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of WestStar Industrial Limited ('market conditions'). The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share.

(xxvii) Critical accounting estimates and judgements

Revenue from Contracts with Customers
Construction contracts are assessed to identify the performance obligations contained in the contract. The total transaction price is allocated to each individual performance obligation. Work is performed on assets that are controlled by the customer or on assets that have no alternative use to the Company, with the Company having right to payment for performance to date. Therefore, in accordance with AASB15, the revenue is recognised over time. As performance obligations are satisfied over time, revenue is recognised over time using an input method being resources consumed, labour hours expended, material costs incurred, time elapsed relative to the total expected inputs to the satisfaction of that performance obligation. Variable consideration if the consideration in the contract includes a variable amount, the Company estimates the amount of the consideration to which it is entitled in exchange for transferring the goods and services to the customer. The Company includes some or all of this variable consideration in the transaction price only to the extent it is highly probable that a significant reversal of the cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Variable consideration comprises performance bonuses and penalties, variations, claims and contract modifications. Where consideration in respect of a contract is variable, the "expected value" or "most likely amount" of revenue is only recognised to the extent that it is highly probable that it will not result in a significant reversal of revenue in future periods. For construction and maintenance contracts, revenue from variations and claims is recognised to the extent it is approved or enforceable under the contract. In making this assessment, the Group considers factors including nature of the claim, formal or informal acceptance by the customer of the validity of the claim, stage of negotiations or the historical outcome of similar claims to determine whether the enforceable and "highly probable" threshold has been met. Revenue in relation to modifications, such as a change in the scope of the contract, is brought to account when it is approved by the parties to the contract or the modification is enforceable and the amount becomes highly probable. Modifications may be recognised when client instruction has been received in line with customary business practice for the customer.

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The key estimate in the recognition of contract revenue is the Forecast Cost to Complete**.** Forecast costs to complete construction contracts are regularly updated and are based on costs expected to be incurred when the related activity is undertaken. Key assumptions regarding costs to complete contracts include estimation of labour costs, technical costs, impact of delays and productivity. Construction contracts may incur additional costs in excess of original cost estimates. Liability for such costs may rest with the customer if considered to be a change to the original scope of works. Any additional contractual obligations, including liquidated damages, are also assessed to the extent these are due and payable under the contract. When it is considered probable that total contract costs will exceed total contract revenue, the contract is considered onerous and the present obligation under the contract is recognised immediately as a provision.

Share based payment transactions
The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Impairment assessment of goodwill and other intangibles
The key judgements in goodwill impairment include estimation of the forecast cash flows, discount rates, growth rates and the estimation of the terminal value

Management is required to make significant judgements concerning future cash flows, including changes in competitive positions, expectations of growth cost of capital and the determination of fair values when assessing the recoverable amounts of assets (or groups of assets). Inputs into these valuations require assumptions and estimates to be made about forecast earnings before interest and tax and related future cash flows, growth rates, applicable discount rates, useful lives and residual values.

The judgements, estimates and assumptions used in assessing impairment are management's best estimates based on current and forecast market conditions. Changes in economic and operating conditions impacting these assumptions could result in changes in the recognitions of impairment changes in future periods.

Additionally, management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made:
- trade and other receivables, refer note 2 (xiii); and
- recovery of deferred taxes, refer note 2 (xvii).

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances in the period.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(xxviii) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

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Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

(xxix) Non-current assets (or disposal Groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal Groups) and the sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.
When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary, after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB9 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal Groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell.

(xxx) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent nonconvertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(xxxi) Parent entity financial information

The financial information for the parent entity, WestStar Industrial Limited, disclosed in Note 18 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Share-based payments
The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

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3. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors and have determined that there is three relevant business segments being:

- SIMPEC Pty Ltd is a construction contractor with specialist experience in both Structural, Mechanical and Piping and Electrical and Instrumentation works;
- Alltype Engineering Pty Ltd provides workshop, site installation, construction and maintenance services to the oil and gas, water, power generation, infrastructure, mining, resources, utility, petrochemical and defence industries.
- Watmar Engineering Pty Ltd is a fluid systems engineering specialist providing services to the Defence and Marine sectors.

Segment reporting	SIMPEC $	Alltype $	Watmar $	Group $
Year ended 30 June 2025				
Segment revenue	39,081,737	85,468,806	6,207,658	130,758,201
Segment operational expense	(34,256,053)	(72,650,604)	(4,624,991)	(111,531,648)
Segment gross margin	4,825,684	12,818,202	1,582,667	19,226,553
Segment overheads	(7,278,927)	(10,510,654)	(2,356,309)	(20,145,890)
Segment operating profit/(loss)	**(2,453,243)**	**2,307,548**	**(773,642)**	**(919,337)**
Other Income - operational	249,667	736,027	32,668	1,018,362
Net operating Profit/(Loss) before tax & Corporate Administration expenses	**(2,203,576)**	**3,043,575**	**(740,974)**	**99,025**
Other income				128,823
Corporate & administration [1]				(4,846,241)
Net operating Profit/(Loss) before Tax				**(4,618,393)**
Income tax (expense)/benefit				1,203,442
Net operating Profit/(Loss) after Tax				**(3,414,951)**

1 Includes Share Based Payments expense of $1,257,060

Year ended 30 June 2024				
Segment revenue	110,645,572	91,948,615 [1]	3,005,264	205,599,451
Segment operational expense	(98,621,005)	(80,196,024)	(2,153,162) [2]	(180,970,191)
Segment gross margin	12,024,567	11,752,591	852,102	24,629,260
Segment overheads	(8,005,681)	(9,093,398)	(1,308,392)	(18,407,471)
Segment operating profit / (loss)	**4,018,886**	**2,659,193**	**(456,290)**	**6,221,789**
Other Income - operational	1,297,730	678,076	16,085	1,991,891
Net operating Profit/(Loss) before tax & Corporate Administration expenses	**5,316,616**	**3,337,269**	**(440,205)**	**8,213,680**
Bargain purchase on business combination				582,655
Other income				15,041
Corporate & administration [3]				(4,218,546)
Net operating Profit before Tax				**4,592,830**
Income tax expense				(1,299,069)
Net operating Profit after Tax				**3,293,761**

1. Alltype Engineering segment revenue excludes $4,940 intercompany revenue
2. SIMPEC segment operational expense excludes $4,940 intercompany cost of sales
3 Includes Share Based Payments expense of $1,099,853

Year ended 30 June 2025				
Segment assets	19,141,412	30,271,690	4,491,109	53,904,211
Segment liabilities	(9,172,696)	(9,621,769)	(2,189,775)	(20,984,240)
Segment asset & liabilities	**9,968,716**	**20,649,921**	**2,301,334**	**32,919,971**
Cash and corporate assets				1,247,306
Corporate liabilities				(6,341,021)
Total asset & liabilities				**27,826,256**
Year ended 30 June 2024				
Segment assets	27,455,056	38,023,271	5,852,211	71,330,538
Segment liabilities	(13,934,250)	(18,611,037)	(3,653,509)	(36,198,796)
Segment asset & liabilities	**13,520,806**	**19,412,234**	**2,198,702**	**35,131,742**
Cash and corporate assets				1,935,812
Corporate liabilities				(7,083,407)
Total asset & liabilities				**29,984,147**

The Group is domiciled in Australia. All revenue from external customers is generated from Australia only.

4. Revenue and Other Income

	2025 $	2024 $
(a) Revenue		
Construction and Engineering services recognised over time	127,740,330	204,462,372
Sale of goods recognised at a point in time	3,017,871	1,137,079
	130,758,201	**205,599,451**
Disaggregated revenue information per AASB 15 as follows:		
Timing of revenue recognition		
Construction and Engineering services recognised over time	127,740,330	204,462,372
Sale of goods recognised at a point in time	3,017,871	1,137,079
	130,758,201	**205,599,451**
Contract amounts to be delivered in future years		
Construction and Engineering services	34,299,087	49,376,392
(b) Other Income		
Interest Income	364,695	341,576
Scrap metal sales	64,126	64,051
Insurance recoveries	514,575	1,438,712
Sundry Income	142,369	162,594
	1,147,185	**2,006,933**

5. Expenses

	2025 $	2024 $
(a) Administrative expenses		
- Employee wages and salaries	13,936,557	12,711,198
- Professional services and consultant fees	2,397,862	2,006,791
- Insurance	760,920	389,499
- Motor vehicle costs	113,733	91,943
- ASX and Share registry fees	46,137	50,702
- General administrative costs	1,826,073	2,093,328
	19,081,282	**17,343,461**
(b) Finance costs		
- Interest and associated costs to unrelated third parties	1,083,125	672,797
	1,083,125	**672,797**
(c) Share Based Payments expense		
- Share based payments expense [1 & 2]	1,257,060	1,099,853
	1,257,060	**1,099,853**

1 Includes an amount of $1,100,000 relating to the issue of 11M ordinary shares on 26 November 2024.
2 Includes an amount of $980,000 relating to the issue of 7M ordinary shares on 31 May 2024

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6. Acquisition of Watmar Engineering Pty Ltd

On 3 November 2023, WestStar acquired 100% of the business and assets of Watmar Engineering Pty Ltd ("WATMAR") in a cash only acquisition.

(i) Business Acquisition Consideration

The consideration for the acquisition comprised:
- $874,053 cash consideration.
- $91,201 payment of finance leases

(ii) Fair value of consideration transferred

Under the principles of AASB 3 '*Business Combinations*', the assets and liabilities of WATMAR are measured at fair value on the date of acquisition.

(iii) Discount / Bargain purchase on Business Combination

Discount on acquisition is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of Watmar. Details of the transaction are as follows:

	Fair Value $
Consideration	
Cash	874,053
Payment of finance leases	91,201
Total consideration	**965,254**
Fair value of assets and liabilities held at acquisition date:	
Cash	72,996
Trade and other receivables	630,078
Prepayments	44,734
Plant and equipment	695,055
Right of Use Asset	1,625,400
Inventories	360,600
Contract Assets	649,565
Trade and other payables	(886,916)
Provisions	(284,735)
Right of Use Liability	(1,641,978)
Contract Liabilities	(703,076)
Customer relationships acquired on a business combination	1,408,838
Deferred tax liability on intangible assets recognised	(422,652)
Fair value of identifiable assets and liabilities assumed	1,547,909
Bargain purchase on business combination	**(582,655)**

To assess the fair value of the Customer Relationships the Group engaged an external expert to assess the fair value of the customer relationships. The external expert adopted the multi-period excess earnings method. This methodology involved:

- Using the WATMAR financial forecast as the basis for estimating the cash flow generating ability of the Customer Relationships intangible asset.
- Estimating the forecast cash flows generated by the key customer relationships, then discounting the cash flows to their present value.
- The forecast cash flows generated by the Customer Relationships were then reduced by fixed asset and working capital contributory asset charges.
- The resulting net cash flows were then discounted to present value at an assessed discount rate of 19.5%.

7. Income Tax

	2025 $	2024 $
(a) Income tax expense		
Major component of tax expense for the year		
Current tax	-	512,218
Deferred tax expense / (benefit) prior income years	(175,825)	-
Deferred tax expense / (benefit)	(1,027,617)	786,851
	(1,203,442)	1,299,069

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

Profit / (Loss) from continuing operations before income tax expense	(4,618,393)	4,592,830
Tax at the Group rate of 30% (2024: 30%)	(1,385,519)	1,377,849
Other non-deductible expenses	400,969	206,731
Temporary difference on prior years tax losses recognised	(175,825)	(731,423)
Temporary difference movement variance	(43,067)	-
Temporary difference arising from capital losses derecognised	-	336,767
Temporary difference arising from business combination	-	(40,855)
Temporary differences not brought to account	-	150,000
Income tax expense	(1,203,442)	1,299,069
(c) Income tax liability		
Current tax payable	2,634,837	5,032,694

(d) Deferred tax

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

Liabilities		
Plant and Equipment	361,646	604,725
Accrued income	2,158,580	167,610
Other non-depreciable assets	1,414,193	701,815
Intangibles	322,020	382,399
Prepayments	4,784	-
Debt Write-Off	-	336,767
Deferred tax liability	4,261,223	2,193,316
Assets		
Group losses - revenue	974,489	-
Transferred losses - revenue	-	731,423
Provisions & accruals	1,183,724	1,448,324
Provision for doubtful debts	141,570	22,500
Borrowing costs	6,992	6,759
Lease Asset	1,473,325	697,600
Deferred tax asset	3,780,100	2,906,606
Net deferred tax asset / (liability) recognised	**(481,123)**	**713,290**
Net deferred tax asset / (liability) not recognised	**-**	**-**

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
(ii) the Group continues to comply with conditions for deductibility imposed by tax legislation in Australia; and
(iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

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8. Cash and Cash equivalents

	2025 $	2024 $
Cash at bank and on hand	**7,162,696**	**13,678,160**

Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities

	2025 $	2024 $
Profit/(loss) after income tax	(3,414,951)	3,293,761
Non-Cash Items		
Depreciation and amortisation expenses	2,785,254	2,453,633
Share-based payments	1,257,060	1,099,853
Expected credit loss/(recovery)	(103,099)	585,321
Loss on sale of plant and equipment	97,200	34,911
Bargain purchase on business combination	-	(582,655)
(Decrease) / increase in working capital		
(Increase) / decrease in receivables	5,170,090	387,338
(Increase) / decrease in contract assets	(353,528)	5,725,900
(Increase) / decrease in deferred tax asset	713,290	786,850
Increase / (decrease) in payables	(11,039,260)	(11,362,770)
Increase / (decrease) in income tax payable	(2,397,857)	512,218
Increase / (decrease) in contract liabilities	(2,070,835)	1,755,414
Increase / (decrease) in deferred tax liabilities	481,123	-
Increase / (decrease) in provisions	22,859	(4,179,243)
Net cash inflow/(outflow) from operating activities	(8,852,654)	510,531

9. Trade and Other Receivables

(a) Trade receivables (Current)	2025 $	2024 $
Trade receivables	10,707,242	19,857,279
Less Allowance for doubtful debts	-	-
	10,707,242	**19,857,279**
(b) Other receivables (Current)		
Retentions	324,906	1,085,656
Other receivables	969,529	1,047,542
Prepayments	278,792	348,299
	1,573,227	**2,481,497**
	12,280,469	**22,338,776**

	2025 $	2024 $
<30 days	9,905,502	17,383,618
30-60 days	367,818	2,215,231
60-90 days	27,091	2,438
90+ days	406,831	255,992
Total (Note 9 (a))	**10,707,242**	**19,857,279**

There are no impairment losses on trade receivables over 90 days.

(c) Other receivables (non-current)	2025 $	2024 $
Retentions	-	-
Other receivables	471,901	986,901
Provision for expected credit loss	(471,901)	(575,000)
	-	**411,901**

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10. Contract Assets and Liabilities

The "Contract asset" value below represents under AASB 15, the unbilled amount expected to be collected from customers for contract work performed to date. Cost includes all expenditure related directly to specific projects. Recognised profit is based on the percentage completion method and is determined using the costs incurred to date as a proportion of the total forecast contract costs.

	2025 $	2024 $
Contract Assets		
Contract assets	18,478,944	18,125,416
	18,478,944	**18,125,416**

The "Contract liabilities" value below represents under AASB 15, unearned revenue the Group has invoiced the client in advance of performing the contracted services. Contract liabilities fluctuate based on progress of completion of contracts.

	2025 $	2024 $
Contract Liabilities		
Contract liabilities	997,103	3,067,938
	997,103	**3,067,938**

11. Property, Plant and Equipment

	2025 $	2024 $
Gross carrying value at cost	10,779,769	10,640,321
Accumulated depreciation	(5,814,584)	(4,851,442)
Net carrying value at cost	**4,965,185**	**5,788,879**

Gross carrying value at cost	Note	Plant & Equipment $	Motor Vehicles $	Total $
1 July 2024		8,304,018	2,336,303	10,640,321
Additions		218,579	779,016	997,595
Disposals		(225,973)	(632,174)	(858,147)
At 30 June 2025		8,296,624	2,483,145	10,779,769
Accumulated depreciation				
At 1 July 2024		(4,021,206)	(830,236)	(4,851,442)
Disposals		80,789	254,378	335,167
Depreciation	12(b)	(889,374)	(408,935)	(1,298,309)
At 30 June 2025		(4,829,791)	(984,793)	(5,814,584)
Total At 30 June 2025		**3,466,833**	**1,498,352**	**4,965,185**

Gross carrying value at cost	Plant & Equipment $	Motor Vehicles $	Total $
1 July 2023	7,257,658	1,355,864	8,613,522
Additions	816,091	639,086	1,455,177
Additions from acquisition via business combination	353,702	341,353	695,055
Disposals	(123,433)	-	(123,433)
At 30 June 2024	8,304,018	2,336,303	10,640,321
Accumulated depreciation			
At 1 July 2023	(3,070,279)	(523,983)	(3,594,262)
Disposals	80,763	-	80,763
Depreciation **12(b)**	(1,031,690)	(306,253)	(1,337,943)
At 30 June 2024	(4,021,206)	(830,236)	(4,851,442)
Total At 30 June 2024	**4,282,812**	**1,506,067**	**5,788,879**

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12. Right of Use Asset

	Note	2025 $	2024 $
(a) Right of Use Asset			
Lease asset		10,000,271	6,339,995
Accumulated depreciation		(5,286,295)	(4,000,613)
		4,713,976	**2,339,382**

		Right of Use Asset $	Right of Use Asset $
Gross carrying value			
At 1 July 2024		6,339,995	4,041,736
Additions		35,582	170,129
Lease modifications		3,624,694	502,730
Additions from acquisition via business combination		-	1,625,400
At 30 June 2025		10,000,271	6,339,995
Accumulated depreciation			
At 1 July 2024		(4,000,613)	(3,019,098)
Depreciation charge	12(b)	(1,285,682)	(981,515)
At 30 June 2025		(5,286,295)	(4,000,613)

		2025 $	2024 $
(b) Depreciation and Amortisation expense			
Depreciation expense - Property, Plant & Equipment	11	1,298,309	1,337,943
Amortisation - Right of Use Assets	12(a)	1,285,682	981,515
		2,583,991	**2,319,458**

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13. Intangible assets

	2025	2024
	$	$
Goodwill - Alltype Engineering Pty Ltd	3,515,918	3,515,918
Goodwill - SIMPEC Pty Ltd	992,198	992,198
	4,508,116	**4,508,116**
Opening Balance	1,274,663	-
Customer relationships acquired in a business combination	-	1,408,838
Less: Amortisation of Customer relationships acquired	(201,262)	(134,175)
Total Other Intangibles [1]	**1,073,401**	**1,274,663**
Total Intangibles	**5,581,517**	**5,782,779**

[1] Other Intangibles relate to Watmar Engineering Pty Ltd customer relationships acquired in a Business Combination and will be amortised over a period of 7 years.

Impairment testing for cash-generating units containing goodwill. For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The three CGU's tested for impairment are:

(i) SIMPEC Goodwill
(ii) Alltype Engineering Goodwill
(iii) Watmar Engineering Intangibles

The aggregate carrying amounts of goodwill allocated to each segment are as follows:

(i) SIMPEC Goodwill: $992,198
(ii) Alltype Engineering Goodwill: $3,515,918
(iii) Watmar Engineering Intangibles $1,073,401

The CGU are not larger than any of the segments as classified under *AASB 8 Operating Segments*.

The recoverable amounts of the above segments were based on their value in use with the Group performing its annual impairment test in June 2025. The carrying amount of the operating segments were determined to be lower than their recoverable amounts and therefore no impairment charge has been recognised. We have considered the effects of our clients' activities which may include resources commodity prices, commercial construction activity, awards of new contracts, deferrals of existing contracts, disruptions to supply chain and disruptions to existing operations.

Value in use was determined by preparing five-year discounted cash flow forecasts and extrapolating the cash flows beyond the terminal year using a terminal growth-rate. The calculation of value in use was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and independent research on the markets in which the segments operate.
- The five-year cash flow estimates used in assessments for all CGU's were based on Board approved budgets for the year ending 30 June 2025.
- Growth assumptions thereafter are Alltype Engineering 2%; SIMPEC 2% and Watmar Engineering 2% per annum for each future year.
- The terminal value assumes perpetual growth of 2.0% (2024: 2.0%).
- The margins included in the projected cash flow are the same rate that has been achieved by projects commencing in 2025.
- A pre-tax discount rate between 15% and 19% was applied. This discount rate was estimated based on past experience and industry average weighted cost of capital. In relation to Watmar Engineering Pty Ltd the recoverable value is sensitive to any changes in the discount rate and forecast profits.

14. Trade and Other Payables

	2025	2024
	$	$
Trade payables	3,906,952	17,784,000
Other creditors and accruals	9,770,244	10,531,995
	13,677,196	**28,315,995**

15. Provisions

	2025	2024
Current	$	$
Annual Leave	1,916,915	2,068,141
Long Service Leave	283,270	145,804
Other provisions	680,029	529,804
	2,880,214	**2,743,749**
Non-Current		
Long Service Leave	360,315	473,921
	360,315	**473,921**

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16. Lease Liabilities

	2025 $	2024 $
Current		
Right of Use Lease liability	1,461,999	548,940
Other lease liabilities	313,153	518,881
	1,775,152	**1,067,821**

	2025 $	2024 $
Non-Current		
Right of Use Lease liability	3,449,083	1,776,396
Other lease liabilities	1,070,237	803,689
	4,519,320	**2,580,085**

Interest expense on leases for the year ended 30 June 2025 amounted to $570,156 (2024: $131,765).

17. Related Party Transactions and Key Management Personnel

(a) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of the Group the key management personnel of the Group for the year ended 30 June 2025 are as follows:

Mr Philip Re	Non-Executive Chairman
Mr Lay Ann Ong	Non-Executive Director
Mr Robert Spadanuda	Group CEO / Managing Director
Mr Mark Dimasi	Managing Director (SIMPEC Pty Ltd)
Mr Kelvin Andrijich	Managing Director (Alltype Engineering Pty Ltd)
Mr Stephen Harris	General Manager (Watmar Engineering Pty Ltd)
Mr Chris Manea	Director (Watmar Engineering Pty Ltd)

The total shares and performance rights held by Key Management personnel are disclosed in the director's remuneration report. The table below discloses the details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year as follows:

	2025 $	2024 $
Short term employee benefits	2,640,484	1,670,122
Post-employment benefits	155,824	124,991
Share based payments	1,257,060	749,853
	4,053,368	**2,544,966**

The consolidated financial statements include the financial statements of the Group and the subsidiaries listed in the following table:

Name	Country of Incorporation	Principal Activities	% Equity Interest 2025	% Equity Interest 2024
SIMPEC Pty Ltd	Australia	Construction contracting	100%	100%
Alltype Engineering Pty Ltd	Australia	Fabrication & Construction	100%	100%
Watmar Engineering Pty Ltd	Australia	Fluid Systems & Engineering	100%	100%

(b) Transactions with related parties

Dimasi Family Trust
During the year, The Dimasi Family Trust, an entity related to Mr Mark Dimasi, was paid $94,855 (2024: $92,745) in relation to provision of administrative services for the Group.

Directors Fees
As at 30 June 2025 the amount outstanding from the Company to Mr Phillip Re in relation to Directors' fees was $84,391 (2024: $132,000). As at 30 June 2025 the amount outstanding from the Company to Mr Lay Ann Ong in relation to Directors' fees was $152,000 (2024: $104,000).

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17. Related Party Transactions and Key Management Personnel (cont…)

(c) Outstanding balances with related parties

	2025 $	2024 $
Amount owing to Director related entities	236,391	236,000
	236,391	**236,000**

18. Consolidated Entity Disclosure

Entity Name	Entity Type	Place formed / Country of Incorporation	Ownership Interest	Tax Residency
WestStar Industrial Limited	Body Corporate	Australia	N/A	Australia *
SIMPEC Pty Ltd	Body Corporate	Australia	100%	Australia *
Alltype Engineering Pty Ltd	Body Corporate	Australia	100%	Australia *
Watmar Engineering Pty Ltd	Body Corporate	Australia	100%	Australia *

* WestStar Industrial Limited (the 'head entity') and its wholly owned Australian subsidiaries are part of the same tax consolidated group

19. Parent Entity Information

The following detailed information related to the parent entity, WestStar Industrial Limited, at 30 June 2025. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2025 $	2024 $
Current Assets	348,888	507,634
Non-current Assets	10,777,813	10,469,443
Total Assets	**11,126,701**	**10,977,077**
Current Liabilities	8,963,379	9,696,734
Non-current Liabilities	1,064,366	555,896
Total Liabilities	**10,027,745**	**10,252,630**
Contributed equity	46,352,258	45,252,258
Reserves	119,476	187,917
Accumulated Losses	(45,372,778)	(44,715,728)
Total Equity	**1,098,956**	**724,447**
Total Comprehensive Loss for the Year	**(882,713)**	**(3,108,399)**

The Parent Entity has no contingent liabilities and commitments under Regulation 2M.3.01(1).

20. Auditor's Remuneration

The auditor of WestStar Industrial Limited is Armada Audit & Assurance Pty Ltd.

	2025 $	2024 $
Auditor of the Company		
Audit and review of the financial report	95,500	91,500
	95,500	91,500

21. Issued Capital

(a) Issued and paid-up capital

	2025 $	2024 $
Ordinary shares fully paid	26,535,791	25,435,791

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21. Issued Capital (cont…)

(b) Movements in shares on issue

	Year to 30 June 2025	
	No.	**$**
Movements in ordinary shares on issue		
Opening balance	117,765,239	25,435,791
Details of the Company shares issued during the period:		
Shares issued (i)	11,000,000	1,100,000
Closing balance	128,765,239	26,535,791

(i) 11M ordinary shares at an issue price of $0.10 per share were approved by shareholders on 26 November 2024 and issued to Directors and Executives of the Group on 24 December 2024.

	Year to 30 June 2024	
	No.	**$**
Movements in ordinary shares on issue		
Opening balance	110,765,239	24,455,791
Details of the Company shares issued during the period:		
Shares issued (ii)	7,000,000	980,000
Closing balance	117,765,239	25,435,791

(ii) 7M ordinary shares at an issue price of $0.14 per share were issued to employees of the Group on 31 May 2024.

(c)

(i) Options issued

Nil options were issued during the year.

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21. Issued Capital (cont…)

(d) Performance shares

Movements in performance rights on issue

	Year to 30 June 2025 No.
Movements in performance rights on issue	
Opening balance	1,500,000
Expired during the year	(1,500,000)
Issued during the year	9,000,000
Closing balance	9,000,000

(i) On 26 November 2024 shareholders approved the grant of up to 9,000,000 Performance Rights to Directors (or their nominees) under the WestStar Performance Rights Plan. The securities were issued on 24 December 2024.

Total Performance Rights issued by Tranche by recipient:

Details	Tranche 1	Tranche 2	Tranche 3	Total
Philip Re	1,250,000	1,250,000	1,000,000	3,500,000
Robert Spadanuda	1,250,000	1,250,000	1,000,000	3,500,000
Lay Ann Ong	750,000	750,000	500,000	2,000,000
Total	**3,250,000**	**3,250,000**	**2,500,000**	**9,000,000**

The principal terms of the Performance Rights are summarised below:

Class	Performance Condition	Expiry Date
Tranche 1 Performance Rights	**Market Capitalisation - $17.5M** Tranche 1 Performance Rights will vest on the date that the Company's market capitalisation exceeds $17.5 million for a period of twenty (20) trading days. The Director/Employee must be a Director/Employee of the Group at the time the performance condition is met. (**"Tranche 1 Performance Condition"**)	24 December 2027
Tranche 2 Performance Rights	**Market Capitalisation - $19.5M:** Tranche 2 Performance Rights will vest on the date that the Company's market capitalisation exceeds $19.5 million for a period of twenty (20) trading days. The Director/Employee must be a Director/Employee of the Group at the time the performance condition is met. (**"Tranche 2 Performance Condition"**)	24 December 2027
Tranche 3 Performance Rights	**Market Capitalisation - $22M:** Tranche 3 Performance Rights will vest on the date that the Company's market capitalisation exceeds $22 million for a period of twenty (20) trading days. The Director/Employee must be a Director/Employee of the Group at the time the performance condition is met. (**"Tranche 3 Performance Condition"**)	24 December 2027

	Year to 30 June 2024 No.
Movements in performance rights on issue	
Opening balance	6,000,000
Expired during the year	(4,500,000)
Closing balance	1,500,000

(ii)On 5 January 2022 shareholders approved the grant of up to 1,500,000 Performance Rights to Directors (or their nominees) under the WestStar Performance Rights Plan.

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The principal terms of the Performance Rights are summarised below:

Class	Performance Condition	Expiry Date
Tranche 1 Performance Rights	**Market Capitalisation - $30M** Tranche 1 Performance Rights will vest on the date that the Company's market capitalisation exceeds $30 million for a period of ten (10) trading days. (**"Tranche 1 Performance Condition"**)	10 January 2025
Tranche 2 Performance Rights	**Market Capitalisation - $35M:** Tranche 2 Performance Rights will vest on the date that the Company's market capitalisation exceeds $35 million for a period of ten (10) trading days (**"Tranche 2 Performance Condition"**)	10 January 2025
Tranche 3 Performance Rights	**Market Capitalisation - $40M:** Tranche 3 Performance Rights will vest on the date that the Company's market capitalisation exceeds $40 million for a period of ten (10) trading days (**"Tranche 3 Performance Condition"**)	10 January 2025

The value of the Performance Rights at grant date was estimated using a Trinomial Model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. The fair value ascribed to each Tranche 1, 2 and 3 Performance Right on a post-consolidation basis was $0.15, $0.17 and $0.19 respectively.

The table below shows the class, number and fair value ascribed to Performance Rights on issue (on a post-consolidation basis) at 30 June 2025. The following assumptions were used in the valuation of these performance rights.

Details	Tranche 1	Tranche 2	Tranche 3
Number of Rights	3,250,000	3,250,000	2,500,000
Fair value on Grant Date	$0.074	$0.0676	$0.0617
Share Price	$0.10	$0.10	$0.10
Volatility	57.0%	57.0%	57.0%
Risk Free Rate	3.91%	3.91%	3.91%

The total value of Performance Rights expensed during the year ended 30 June 2025 was $157,060 (2024: $119,853).

Each Performance Right converts into 1 fully paid ordinary share upon vesting.

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22. Reserves

The share-based payment reserve is used to record the value of share-based payments provided to directors and employees, including Key Management Personnel and suppliers which are not recorded directly in equity.

	2025 $	2024 $
Share based payments reserve	119,476	187,916
	119,476	**187,916**

Movement in reserves

Share based payments reserve

Opening balance	187,916	755,117
Transfer of expired performance rights value (i)	(225,500)	(482,610)
Transfer of expired options value (ii)	-	(204,444)
Performance Rights expensed (Refer Note 21 (d))	157,060	119,853
	119,476	**187,916**

(i) During 2025, 1,500,000 performance rights expired. The value recognised for these performance rights was transferred to retained earnings ($225,500). During 2024, 4,500,000 performance rights expired. The value recognised for these performance rights was transferred to retained earnings ($482,610).

(ii) During 2024, 3,000,000 options expired out of the money. The value recognised for options issued in this expired class was transferred to retained earnings ($204,444).

23. Share Based Payments

During the year, the following share-based payments were made and recognised in equity and the share-based payments reserve.

	2025 $	2024 $
Performance rights recognised (Refer Note 21 (d))	157,060	119,853
Shares issued (i) & (ii)	1,100,000	980,000
	1,257,060	1,099,853

(i) 11M ordinary shares at an issue price of $0.10 per share were approved by shareholders on 26 November 2024 and issued to Directors and Executives of the Group on 24 December 2024.

(ii) 7M ordinary shares at an issue price of $0.14 per share were issued to employees of the Group on 31 May 2024.

24. Reconciliation of Earnings / (Loss) Used in Calculating Earnings / (Loss) Per Share

	2025 $	2024 $
Earnings/(loss) attributable to owners of the Company	(3,414,951)	3,293,761
	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares for the purposes of basic and diluted Earnings / (loss) per share	123,461,219	111,340,671

Of the Company's options on issue, there were no in-the-money options as at 30 June 2025. Therefore, no options have been included in the calculation of diluted earnings per share.

25. Contingent Liabilities & Commitments

During the year ended 30 June 2025 the Group entered into $1.817M, and had returned $1.524M respectively, worth of bond facilities ("the Facilities") with Export Finance Australia. As at 30 June 2025, the total value of bond facilities available to the Group under this facility amounted to $7.765M, of which $1.735M has been committed with the balance of $6.03M uncommitted.

Also, during the year ended 30 June 2025 the Group entered into $1.095M, and had returned $2.566M respectively, worth of bond facilities ("the Facilities") with Assetinsure as agent for Swiss Re International SE. The Facility expired on 30 June 2025 and is currently under year-end review for renewal. As at 30 June 2025, the total value of bond facilities drawn amounted to $3.05M.

On 15 August 2025 an R&D Tax incentive application for the financial year ending 30 June 2025 was lodged with AusIndustry. The application is subject to approval by AusIndustry and the Australian Taxation Office and if successful results in a potential amount of $3.1M being available to utilise against any future taxable income earned from FY25.

26. Financial Assets

As at 30 June 2025, the Group has provided bank guarantees which are held in term deposits of $855,728 (2024: $2,928,345) to various customers and suppliers of which $392,119 is in current assets (30 June 2024: $1,177,843) and $463,529 is in non-current assets (30 June 2024: $1,750,502).

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27. Financial Risk Management

Exposure to interest rate, liquidity and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments. The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.
The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives. The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	2025 $	2024 $
Financial assets – Current		
Cash and cash equivalents	7,162,696	13,678,160
Trade and other receivables	12,280,469	22,338,776
Financial assets	392,199	1,177,843
Contract assets	18,478,944	18,125,416
	38,314,308	55,320,195
Financial assets – Non-Current		
Financial assets	463,529	1,750,502
Trade and other receivables	-	411,901
Investments	283,075	283,075
	746,604	2,445,478

	2025 $	2024 $
Financial liabilities – Current		
Trade and other payables	13,677,196	28,315,995
Lease Liabilities	1,775,152	1,067,821
Contract liabilities	997,103	3,067,938
	16,449,451	32,451,754
Financial liabilities – Non-Current	4,519,320	2,580,085
Lease Liabilities	4,519,320	2,580,085

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The responsibility for liquidity risk management rests with the Board of Directors. Alternatives for sourcing future capital needs include the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for the Group's capital needs. We expect that, absent a material adverse change in a combination of the Group's sources of liquidity, present levels of liquidity along with future capital raising will be adequate to meet the Group's expected capital needs.

Maturity analysis for financial liabilities
Financial liabilities of the Group comprise trade and other payables and short-term borrowings. The following table discloses the contractual maturity analysis at the reporting date:

2025	Up to 6 months $	6 months to 1 year $	Over 1 to 5 years $	More than 5 years $	Total $
Financial assets					
Cash and cash equivalents	7,162,696	-	-	-	7,162,696
Trade and other receivables	12,280,469	-	-	-	12,280,469
Financial assets	392,199	-	463,529	-	855,728
Contract assets	18,478,944	-	-	-	18,478,944
	38,314,308	-	463,529	-	38,777,837
Financial liabilities					
Trade and other payables	13,677,196	-	-	-	13,677,196
Lease Liabilities	797,324	977,828	4,519,320	-	6,294,472
Contract liabilities	997,103	-	-	-	997,103
	15,471,623	977,828	4,519,320	-	20,968,771

2024	Up to 6 months $	6 months to 1 year $	Over 1 to 5 years $	More than 5 years $	Total $
Financial assets					
Cash and cash equivalents	13,678,160	-	-	-	13,678,160
Trade and other receivables	22,338,776	-	411,901	-	22,750,677
Financial assets	1,177,843	-	1,750,502	-	2,928,345
Contract assets	18,125,416	-	-	-	18,125,416
	55,320,195	-	2,162,403	-	57,482,598
Financial liabilities					
Trade and other payables	28,315,995	-	-	-	28,315,995
Lease Liabilities	538,529	529,292	2,580,085	-	3,647,906
Contract liabilities	3,067,938	-	-	-	3,067,938
	31,922,462	529,292	2,580,085	-	35,031,839

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The following table sets out the carrying amount of the financial instruments exposed to interest rate risk:

	2025 $	2024 $
Financial assets		
Interest bearing		
Cash and cash equivalents	7,162,696	13,678,160
Weighted average interest rate	0.01%	0.01%

The following table summarises the sensitivity of financial assets held at balance date to interest rate risk, following a movement of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

Consolidated Post tax gain (loss)/ equity increase (decrease)

	2025 $	2024 $
+1% (100 basis points)	71,627	136,782

(c) Credit Risk Exposures

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligations resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group.

There is no concentration of credit risk with respect to current and non-current receivables as the Group has a number of large customers which are Australian listed as well as internationally dispersed. Group policy is that sales are only made to customers that are credit worthy. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. The Group holds financial instruments with credit worthy third parties.

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Trade receivable and contract assets

The Group's maximum exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was:

	Carrying amount 2025 $	Carrying amount 2024 $
Australia	29,186,186	37,982,695
	29,186,186	**37,982,695**

	Carrying amount 2025 $	Carrying amount 2024 $
Contract assets – not past due	18,478,944	18,125,416
Trade receivables		
Not past due	-	-
Past due 0 – 30 days	9,905,502	17,383,618
Past due 30 – 60 days	367,818	2,215,231
Past due 60 days and less than 1 year	433,922	258,430
More than 1 year	-	-
Allowance for impairment	-	-
	10,707,242	19,857,279
	29,186,186	**37,982,695**

(d) Foreign Currency Risk

At 30 June 2025, based on its review the Group has no significant exposure to foreign currency risk.

(e) Carrying Value of Financial Instruments

At 30 June 2025, the carrying value of all financial assets and liabilities is considered to approximate their fair values.

28. Company details

The registered office of the business is:

52 Hope Valley Road, Naval Base, WA 6165

The principal places of business are:

52 Hope Valley Road, Naval Base, WA 6165
3/21 Kintail Road, Applecross, WA 6153
34 Hope Valley Road, Naval Base, WA 6165

29. Events after Reporting Date

On 15 August 2025 an R&D Tax incentive application for the financial year ending 30 June 2025 was lodged with AusIndustry. The application is subject to approval by AusIndustry and the Australian Taxation Office and if successful results in a potential amount of $3.1M being available to utilise against any future taxable income earned from FY25.

Apart from the above, there were no matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Group and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 30 June 2025.

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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of WestStar Industrial Limited, I state that:

1. In the Directors' opinion, the financial statements and accompanying notes set out on pages 22 to 52 are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   b. give a true and correct view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date;

2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable. The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;

3. The remuneration disclosures included in pages 17 to 20 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2025, comply with section 300A of the Corporations Act 2001; and

4. The Directors have been given the declarations by the Chief Executive Officer (or equivalent) and Chief Financial Officer required by section 295A of the Corporations Act 2001.

5. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

On behalf of the Board



Philip Re
Non-Executive Chairman
Perth, Western Australia

25 September 2025

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Independent Auditor's Report
To the Members of WestStar Industrial Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of WestStar Industrial Limited 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of WestStar Industrial Limited is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2025, and of its financial performance for the year then ended and;
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* ("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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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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 year. 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 separated opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Revenue from Contracts with Customers (Revenue, Contract Assets and Contract Liabilities) (Note 4(a), Note 10) Recognition of Contract revenue is a key audit matter due to the: • Significance of revenue to the financial statements; and • Large number of customer contracts with numerous estimation events that may occur over the course of the contract's life. This results in complex and judgemental revenue recognition from rendering of engineering services and construction contracts. Therefore, significant audit effort is required to gather sufficient appropriate audit evidence for revenue recognition.	Our Procedures, amongst others, included: • Understanding the Group's contract revenue accounting process and testing that the revenue recognition process was in accordance with AASB 15 *Revenue from Contracts with Customers;* For a sample of customer contracts: • We read the contracts and other underlying documentation such as customer correspondence to evaluate the inputs to the Group's calculation of revenue; • We verified the revenue in the contract schedule to customer contracts, and approved purchase orders from the customer; • We assessed the Group's estimation of variations and claims by comparing underlying evidence such as customer correspondence, assessment by independent experts, legal correspondence and reports from the Group's contract teams for consistency with contract terms. We recalculated the amount of revenue including the modifications to the contract. We compared the recalculated amounts against the amounts recorded by the Group. Where independent experts have been involved in the assessment of variatons and claims, we assessed the independence, objectivity and expertise of the expert.

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- We agreed contract costs including labour and non-labour cost on a sample basis to supporting documentation to test the accuracy of contract costs and margins.

- We tested a sample of post year end contract payments to assess the completeness of contract costs.

- We assessed percentage completion for a sample of open contracts via testing the total estimated cost to complete as follows:

  a) We verified the calculation of the percentage complete on each contract by agreeing the total cost to date as a percentage of the total estimated contract costs.

  b) We obtained an understanding of the activities required to complete the customer contract via inspection of the contracts. We compared activities per the contract to the estimated contract cost reports to test the completeness of the estimated contract costs.

  c) We verified the estimated contract costs on a sample basis to underlying documentation such as supplier purchase orders, supplier quotes and other supporting documents. We compared the estimated labour rates to actual labour rates.

  d) We evaluated the accuracy and reliability of the estimated cost to complete process by comparing the estimated contract costs and contract margins on a sample of previously completed projects to the actual contract's costs and margins.

- Where applicable we compared the contract revenue and contract margins at the reporting date to the contract revenue and margins post reporting date to test the accuracy of management's estimates.

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- For labour hire and cost-plus contracts, we verified the revenue earned for the year to the approved claims and payments by the customer on a sample basis.

- For the unbilled revenue on a sample basis (i.e., contract assets) at 30 June 2025 we verified the subsequent billing post reporting date; and

- We evaluated the appropriateness of the disclosures in the financial report.

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Impairment Testing of Goodwill – Note 13

This has been assessed as key audit matter due to the size of the goodwill balance and because the directors' assessment of the "value in use" of each cash generating unit ("CGU") involves significant estimation and judgement about the probability of future contracts to be secured, profit margin on contracts, growth rates, terminal values and the discount rates applied to them.

Our Procedures, amongst others, included:

- Considering the Group's determination of the level at which goodwill is tested based on our understanding of the operations of the Group's business and how independent cash inflows were generated, against the requirements of the accounting standards;

  We compared the financial results in the value-in-use calculations to the approved budget for each CGU;

- Comparing the forecast revenue in each CGU against the forecast order book of work. We compared the budgeted revenue and earnings to historical evidence for each cash-generating unit. We compared the growth rates to historical evidence and market information.

- We compared the revenue and earnings for each CGU in the current financial year to previous forecasts and budgets. We applied increased scepticism to current period forecasts in areas where previous forecasts were not achieved and/or where future uncertainty is greater, or volatility is expected.

- We engaged an independent third-party valuation specialist to calculate the discount rate range after evaluating the independence, expertise and qualifications of the expert.

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- We challenged management's impairment models by performing a detailed sensitivity analysis of the impairment models by varying key assumptions, such as net earnings, growth rates, terminal growth rates and discount rates, within a reasonably possible range.

- Assessing the Group's disclosures of the quantitative and qualitative considerations in relation to the valuation of goodwill, by comparing these disclosures to our understanding obtained from our testing and the requirements of the 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 annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. 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 Group are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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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://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 20 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of WestStar Industrial Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Armada Audit & Assurance

ARMADA AUDIT & ASSURANCE PTY LTD

Nigel Dias
Director Perth, 25 September 2025

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ADDITIONAL ASX INFORMATION

Additional information required by the Australian Stock Exchange and not shown elsewhere in this report is as follows. This information is prepared as at 18 September 2025.

Distribution of Shareholders	Number of Holders	Fully Paid Ordinary Shares Number of Shares	% Issued Share Capital
1 – 1,000	123	10,450	0.01%
1,001 – 5,000	144	516,432	0.40%
5,001 – 10,000	93	735,693	0.57%
10,001 – 100,000	217	8,656,251	6.72%
100,001 – and over	123	118,846,413	92.30%
Total	**700**	**128,765,239**	**100.00%**

Based on a share price of $0.058 there were 320 holders of ordinary shares, with a combined total of 874,406 ordinary shares, holding less than a marketable parcel which amounts to 0.68% of the shares on issue.

On-Market Buy Back

There is no current on-market buy back.

Voting Rights

All fully paid ordinary shares carry one vote per share without restriction.

Substantial Shareholders as at 18 September 2025

The names of substantial shareholders the Company is aware of from the register, or who have notified the Company in accordance with Section 671B of the Corporations Act are:

Substantial Shareholder	Holding	% held
Mr Kelvin Geoffrey Andrijich and associated entities	10,435,932	8.11%
Mr Roberto Spadanuda and associated entities	10,430,322	8.10%
Mr Colin Stanley Heitman <The C & D Heitman A/C>	10,283,024	7.99%
Mr Lay Ann Ong and associated entities	7,754,369	6.02%
Econ (WA) Pty Ltd <Rechichi Family A/C>	7,563,547	5.87%
Mr Mark Dimasi & Mrs Julianne Dimasi <The Dimasi Family A/C>	6,895,834	5.36%

Top twenty shareholders of ordinary shares:

	Holder Name	Holding	% IC
1	Mr Colin Stanley Heitman <C & D Heitman A/C>	10,283,024	7.99%
2	ECON (WA) Pty Ltd <Rechichi Family A/C>	7,563,547	5.87%
3	PS Corporate Pty Ltd	7,000,000	5.44%
4	Mr Kelvin Geoffrey Andrijich <LCS A/C>	6,435,932	5.00%
5	WestStar Precast Pte Ltd	6,000,000	4.66%
6	MLLW Pty Ltd	4,360,327	3.39%
7	Mr Kelvin Geoffrey Andrijich	4,000,000	3.11%
8	Mark Dimasi +Julianne Dimasi <The Dimasi Family A/C>	4,000,000	3.11%
9	Frank Johan Gran <The F&C Gran A/C>	3,677,676	2.86%
10	Maria Luisa Mosole <M & M Mosole Family A/C>	2,950,000	2.29%
11	Mr Mark Dimasi + Mrs Julianne Dimasi <The Dimasi Family A/C>	2,895,834	2.25%
12	Mrs Maria Luisa Mosole <M & M Mosole Family A/C>	2,860,773	2.22%
13	Finclear Services Pty Ltd <Superhero Securities A/C>	2,029,451	1.58%
14	Mr Peter Hall	2,000,000	1.55%
15	Passpa Pty Ltd <The PS Unit A/C>	2,000,000	1.55%
16	HSBC Custody Nominees (Australia) Limited	1,694,700	1.32%
17	Mr Jon Paul Re <J P RE Family A/C>	1,662,022	1.29%
18	Lay Ann Ong	1,434,369	1.11%
19	PS Corporate Pty Ltd	1,430,322	1.11%
20	Mr Liyuan Chen <Chen & Yi Family Invest A/C>	1,320,887	1.03%
	Total	**75,598,864**	**58.71%**
	Total issued capital – Fully Paid Ordinary Shares	**128,765,239**	**100.00%**

Unquoted Equity Securities

As at 18 September 2025 there is Nil unlisted options on issue.

Restricted Securities

The Company has 7,000,000 restricted securities, subject to escrow until 30 November 2025, on issue as at 18 September 2025.

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CORPORATE DIRECTORY

WESTSTAR INDUSTRIAL LIMITED

ABN 38 119 047 693

DIRECTORS

Mr Philip Re	Non-Executive Chairman
Mr Lay Ann Ong	Non-Executive Director
Mr Robert Spadanuda	Group CEO & Managing Director

AUDITOR

Armada Audit & Assurance Pty Ltd
18 Sangiorgio Court
Osborne Park WA 6017

COMPANY SECRETARY

Mr Stuart Third

ASX CODE

WSI

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