2026 Annual Report

Downer

ACKNOWLEDGEMENT OF COUNTRY

Downer acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and the Traditional Custodians across Australia.

We acknowledge and pay our respects to the Elders of the past, present and future in maintaining the culture, Country and their spiritual connection to the land.

WHAKATAUKĪ

Tuituia e tatou ki te mana
o te Whānau,
te Manaaki,
te Kairangatira,
me te Ngākau Pono.
Tuituia hei korowai aroha mo tatou

Weaving us together are the values of family and relationships, care & respect, excellence, and integrity.

Values that bind us purposefully together.

Important Notice and Disclaimer

The information in this report has been prepared by Downer EDI Limited ABN 97 003 872 848 (Downer or the Company), both to meet the requirements of the *Corporations Act 2001* (Cth) and applicable parts of the Financial Markets Conduct Act 2013 (NZ) in relation to the climate statement.

This report may contain statements that are, or may be deemed to be, forward-looking statements. Such statements can generally be identified by the use of words such as "likely", "looking-forward", "expect", "predict", "will", "may", "intend", "seek", "would", "continue", "plan", "objective", "estimate", "potential", "anticipate", "believe", "risk", "aim", "forecast", "assumption", "projection", "target", "goal", "outlook", "guidance" and similar expressions. Indications of plans, strategies, management and company objectives, potential transactions, sales and financial performance are also forward-looking statements. Such statements are not guarantees of future performance, and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are outside the control of the Company. No representation is made or will be made that any forward-looking statements will be achieved or will prove to be correct.

Readers are cautioned not to place undue reliance on forward-looking statements (including in the climate statement), particularly in the light of the current economic climate and the significant volatility and uncertainty, as well as the significant uncertainty in climate metrics and modelling.

Except to the extent required by law, Downer does not undertake to publicly update or review any forward-looking statements

Forward-looking statements and statements regarding other information contained in this report may also be made – verbally and in writing – by members of the Company's management in connection with this report. Such statements are also subject to the same limitations, uncertainties and assumptions which are set out in this report.

Certain financial data included in this report is 'non-IFRS financial information'. The Company believes that this non-IFRS financial information provides useful insight in measuring the financial performance and condition of Downer. Readers are cautioned not to place undue reliance on any non-IFRS financial information included in this report. These measures have not been subject to audit or review.

This report contains certain climate-related and other forward-looking statements and metrics, including, but not limited to plans, strategies and objectives of management and the Company; assumed short-, medium- and long-term scenarios; potential global responses to climate change; and the potential effect of possible future events on the Company. These statements are subject to significant uncertainties, assumptions, limitations, known and unknown risks and other factors – many of which are beyond our control, and which may cause actual outcomes to differ materially.

The Sustainability Report includes scenario analysis as required by AASB S2. Scenario analysis does not constitute a forecast or prediction of future outcomes. The specific limitations, uncertainties and assumptions applicable to Downer's scenario analysis are set out in the Sustainability Report on pages 55–84.

Please read the specific information relating to uncertainties, limitations and assumptions disclosed throughout the climate statement.

Certain specified sustainability disclosures within the climate statement have been subject to independent limited assurance by PricewaterhouseCoopers. The scope of that assurance engagement is set out in the Independent Auditor's Review Report on pages 86–91 Elements of the Sustainability Report outside the scope of that engagement have not been subject to external assurance.

The information in this report should be read in conjunction with the qualifications and guidance included in this report as well as Downer's 2026 ESG Impact Report available at www.downergroup.com.

Third party reliance

The information contained, and the views expressed, in this report may include information derived from publicly available sources that have not been independently verified. While Downer has exercised care in selecting and applying such sources, no separate representation or warranty is made as to the accuracy or completeness of the underlying third-party data itself.

Downer's New Zealand Transport team maintains key national infrastructure like the Homer Tunnel in the Fiordland National Park as part of the Milford Road Alliance.

Our Pillars

Safety & Sustainability

Safety is our first priority. Zero Harm to our people, communities and environment is embedded in our culture. We will leave a positive legacy for future generations.

Delivery

We build trust by delivering on our promises with excellence while focusing on sustainability, value for money and efficiency.

Relationships

We collaborate to build and sustain enduring relationships with our customers, our people and our communities, based on trust and integrity.

Thought leadership

We remain at the forefront of our industry by employing the best people and having the courage to challenge the status quo.

In this Report

Downer's vertical construction business in New Zealand, Hawkins, builds national infrastructure like the Domestic Jet Terminal at Auckland Airport.

Chair and CEO message

On behalf of the Board of Directors, we are pleased to present Downer's Annual Report for the year ended 30 June 2026 (FY26).

The transformation program that commenced three years ago is having a positive impact on performance across the organisation. We have created a more disciplined business, one that is better positioned to deliver for our customers, create value for shareholders and fulfil our Purpose of 'Enabling communities to thrive'.

Strong financial performance

We continued to focus on quality of earnings, achieving an underlying margin of 5.1%, compared with 4.4% in FY25. Over the two-year FY25-FY26 period, we achieved an average margin of 4.7% exceeding the >4.5% management target established as part of our transformation program.

Underlying NPATA of $306.7 million was up 9.8% on FY25, and within our guidance range, while statutory NPAT increased 51.2% to $225.4 million.

Pro forma EBITA of $496.5 million was an increase of 9.3% on FY25, driven by the ongoing turnaround in Energy & Utilities and Power Projects delivery, the stabilisation of Australian Road Services in the second half, progress on the Queensland Train Manufacturing Program, and disciplined project delivery in New Zealand. It was also supported by the $60 million transformation investment during the year, which is progressively delivering ongoing efficiencies and a reduction in cost to serve.

EBITA and NPATA growth was backed by strong normalised cash conversion of 91.1%, exceeding our >90% target.

Downer's balance sheet remains strong, with net debt to underlying EBITDA of 0.8x improving from 0.9x, enhancing capital management flexibility as our focus shifts to achieving sustainable growth.

Pro forma revenue reduced by 5.3% to $9.8 billion, which is broadly in line with our expectations and primarily driven by a deliberate re-set to focus on revenue quality and exit low-margin businesses and contracts. The weaker New Zealand dollar reduced revenue by approximately 1.8%; excluding this foreign exchange impact, revenue was down 3.5% on the prior corresponding period.

During FY26 we secured several strategically important contracts across Defence, Energy & Utilities and Facilities, further strengthening our work-in-hand to $38.5 billion and supporting long-term growth.

Safety and sustainability

Downer's Total Recordable Injury Frequency Rate (TRIFR) of 2.21 per million hours worked remained below our target of less than 3.00. The Lost Time Injury Frequency Rate (LTIFR) was 0.93, slightly above our target of less than 0.9. Good progress was made on critical risk management, safety improvement plans and visible safety leadership measures.

However, a workplace fatality that occurred during the year in New Zealand was a tragic incident that overshadowed this progress and was felt deeply across our business. The Board's thoughts remain with the individual's family, friends and colleagues. We remain committed to learning from incidents, strengthening critical controls and building a culture where every person returns home safely.

In FY26, we continued our commitment to reducing the environmental impact of our operations and driving sustainable outcomes, reducing absolute Scope 1 and 2 emissions by 7.6%. FY26 represents an important step in the evolution of our climate-related reporting, with our Sustainability Report (formerly the Climate Statement) aligned to the Australian Accounting Standards Board (AASB) S2 *Climate-related Disclosures* requirements for the first time. Included on pages 55–84, the report outlines our governance, strategy, risk management processes including the assessment of climate-related risks and opportunities, and climate-related metrics and targets.

Creating value for shareholders

Delivering sustainable shareholder value remains central to our strategy. The strength of Downer's balance sheet, cash generation and earnings profile enable us to invest in future growth while returning capital to shareholders in a disciplined and measured way.

During FY26, we enhanced shareholder returns through a fully franked dividend supported by the quality and resilience of our earnings, strong cash conversion and disciplined capital management. In September 2025, we commenced the share buy-back program of up to $260 million, equivalent to approximately 5% of issued capital at the time. Approximately 37% of the program has been completed and execution will continue through FY27.

Our focus on disciplined execution, sustainable growth and capital management continues to deliver strong outcomes for shareholders. Since July 2023, Downer's three-year total shareholder return* of 118% has outperformed the ASX 100 index (excluding Financials) median total shareholder return by approximately six times.

* Calculated as TSR between 30-Jun-23 and 30-Jun-26.

Mark Menhinnitt

Peter Tompkins

FY27-FY29 Strategic Plan

Three years ago, we set out a clear strategy to simplify the business, improve earnings quality and build a stronger platform for long-term success. While there is still work to do, through disciplined execution, we have reset our operating model, aligned our trans-Tasman operations, embedded a high-performance culture, strengthened risk discipline, simplified the portfolio and improved operational consistency across the Group.

We are evolving our strategy for the period FY27 – FY29, placing greater emphasis on sustainable growth and long-term value creation. Reflecting this evolution, our FY30 management ambition targets a 4% to 5% compound annual revenue growth from the FY26 base, supported by continued earnings growth and margin expansion towards 6%.

Downer is well positioned to capitalise on opportunities across Australia and New Zealand, supported by a balanced portfolio, disciplined risk management and a strong balance sheet.

Looking ahead

We enter FY27 having delivered another year of improved operational and financial performance.

For FY27, on an underlying basis, we are targeting:

- Revenue and earnings growth and EBITA margin improvement
- Larger than normal skew to 2H27, with 1H27 revenue, earnings and EBITA margin lower than the prior corresponding period, with a return to growth in 2H27.

This reflects:

- The anticipated timing and outcome of key contract awards in Power Projects and Social Housing
- Ramp up profile of secured work in Water, Defence and Integrated Facilities Management
- Improvement in AUS Road Services volumes
- QTMP transitioning from facility construction to rollingstock manufacturing, reducing Transport revenue.

Looking beyond FY27, we remain positive on the medium-term outlook and our FY30 management ambitions.

Our strong market positions and exposure to attractive sectors, including the energy transition, data centres, defence and transport infrastructure, provide a solid platform for sustainable growth.

Mark Menhinnitt
Downer Chair

Peter Tompkins
Chief Executive Officer

About Downer

Downer's Rail & Transit Systems team at the Pakenham East Depot maintains the High Capacity Metro Trains fleet, the only train to run through the Metro Tunnel in Victoria.

Downer EDI Limited (Downer) is a leading provider of integrated services across Australia and New Zealand, delivering and maintaining the essential infrastructure that enable communities to thrive.

The demand for our services is shaped by investment in the energy transition and data centres, defence capability, government services and infrastructure expansion necessary to support population growth, and local industry revitalisation.

The sectors where we operate include roads, rail, ports and airports, power, gas, water, telecommunications, data centres, energy networks, health, education, defence, and other government sectors.

Downer is one of Australia's and New Zealand's largest private sector employers, with approximately 22,800 dedicated people, who are united by our high-performance culture, known as 'The Downer Difference'.

For more information visit downergroup.com.

Workforce

22,800 **people**

Australia: 16,300

New Zealand: 6,400

Footprint

>500

sites across Australia and New Zealand

Supply Chain

~17,000

service delivery partners

FY26 supply chain spend

$6.0 billion

98% in Australia and New Zealand

Highlights

Margin-led earnings growth from a higher-quality, more resilient portfolio

Consistent delivery and performance

For the 12 months ending 30 June 2026

Statutory NPAT

+51% on FY25

$225.4m v $149.1m

EBITA[2,3]

+6% on FY25

$502.9m underlying EBITA

NPATA[2,3]

+10% on FY25

$306.7m within guidance range of $295m to $315m

Cash conversion[4]

91%

Cash backed results[4]
Exceeded >90% target

Work-in-hand

+10% on Jun-25

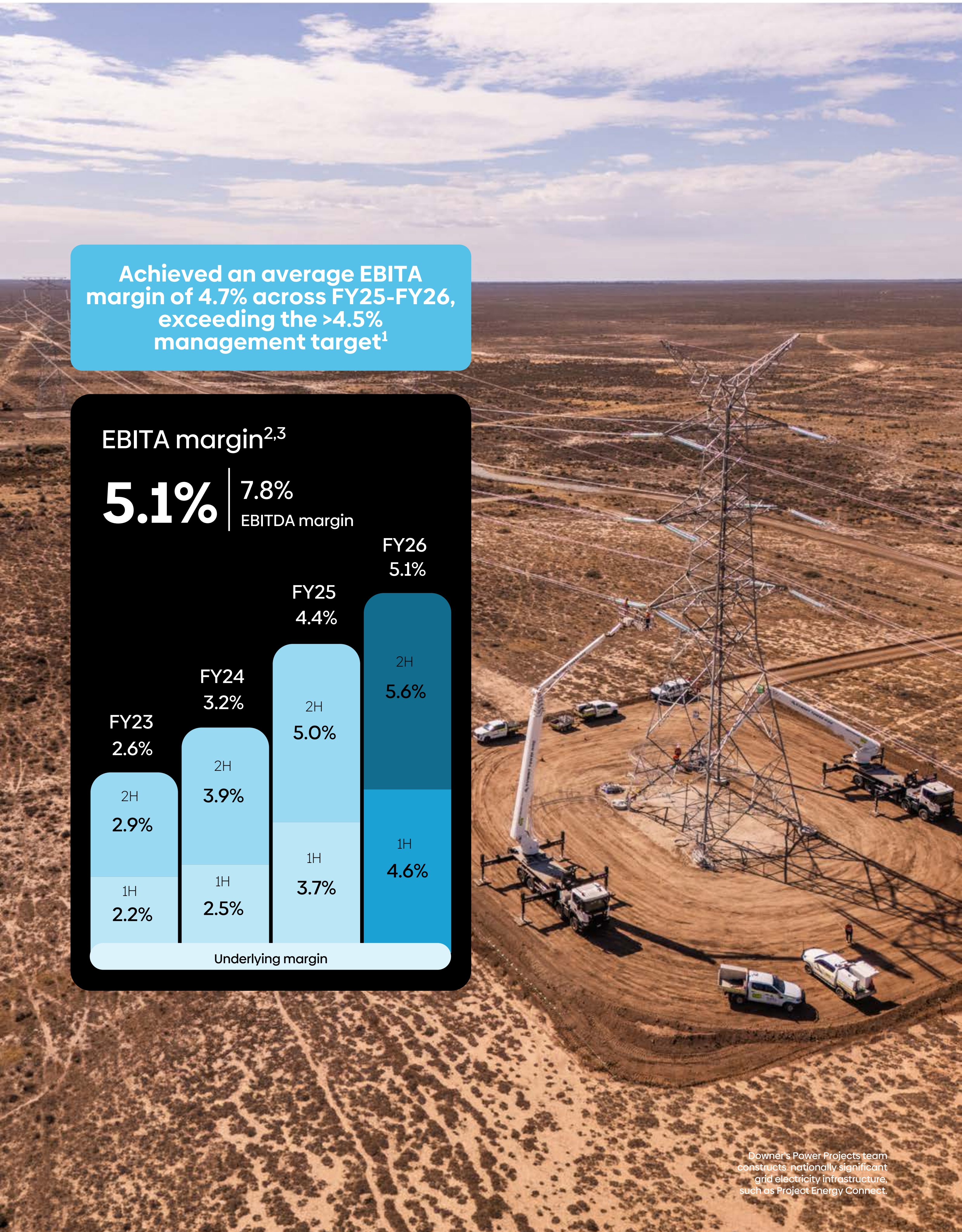
$38.5bn driven by $12.2bn work secured during FY26

Leverage ratio

0.8x

Net debt to EBITDA[5]
Improved from 0.9x at Jun-25

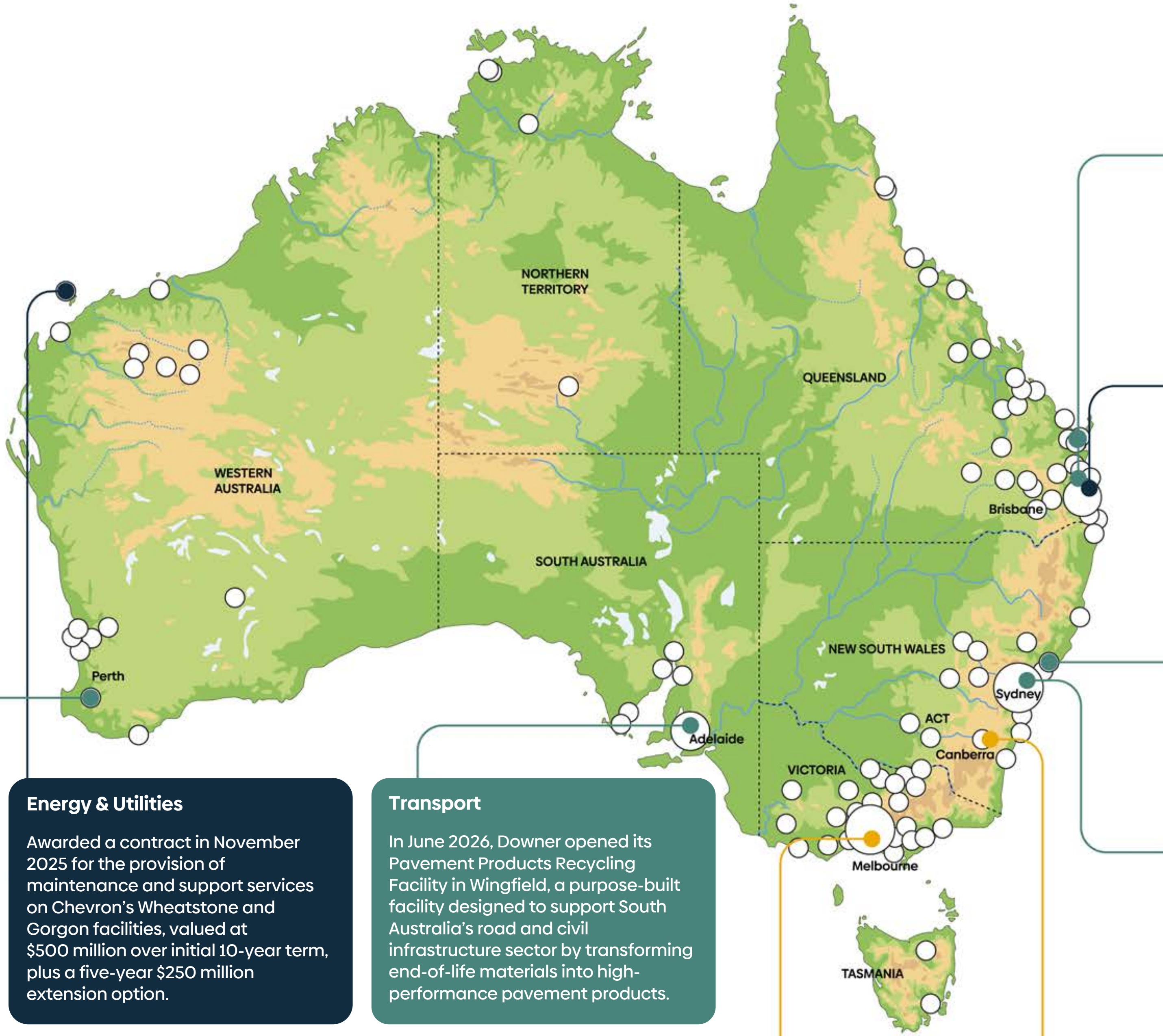
1. Underlying EBITA, NPATA and normalised cash conversion are non-IFRS measures that are used by management to assess the performance of the business. They have been calculated from the statutory measures and defined in the Directors' Report Group Financial Performance section on page .24
2. The underlying result is a non-IFRS measure that is used by management to assess the performance of the business and includes the contribution of divested businesses and assets held for sale. Non-IFRS measures have not been subject to audit or review.
3. Downer calculates and forecasts EBITA and NPATA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.
4. Normalised underlying cash conversion has been adjusted to remove the cash outflows associated with FY25 and FY26 ISIs (not in underlying EBITDA) totalling $56.2m (FY25 equivalent of $92.0m). Cash conversion is calculated as operating cash flow excluding tax and interest, divided by underlying EBITDA.
5. Net debt to EBITDA ratio is net debt $645.4m, comprising lease liabilities, borrowings, deferred finance charges, cross currency and interest rate swaps, less cash, divided by underlying EBITDA (underlying EBIT and statutory D&A).



Achieved an average EBITA margin of 4.7% across FY25-FY26, exceeding the >4.5% management target[1]

Downer's Power Projects team constructs nationally significant grid electricity infrastructure, such as Project Energy Connect.

Significant size, scale and breadth of capability



Energy & Utilities

Awarded a contract in November 2025 for the provision of maintenance and support services on Chevron's Wheatstone and Gorgon facilities, valued at $500 million over initial 10-year term, plus a five-year $250 million extension option.

Transport

In June 2026, Downer opened its Pavement Products Recycling Facility in Wingfield, a purpose-built facility designed to support South Australia's road and civil infrastructure sector by transforming end-of-life materials into high-performance pavement products.

Transport

In December 2025, Downer joint venture awarded a contract by Western Australia's Public Transport Authority to provide maintenance services to Perth's A Series passenger fleet for two years, and to the B Series passenger fleet for 10 years. Total revenue to Downer is approximately $280 million.

Facilities

In March 2026, awarded a new long-term contract with Stockland valued at approximately $500 million over an initial five-year term, with a 5-year extension option, to deliver Integrated Facilities Management across Stockland's operational assets in New South Wales, Victoria, Queensland and Western Australia.

Downer's geographical footprint spreads across Australia and New Zealand, operating at more than 500 sites covering all corners of both countries. In FY26, Downer continued to win new work across the sectors and regions in which we operate.

Transport

The Queensland Train Manufacturing Program reached a major milestone in June 2026 with the commencement of manufacturing at the new Torbanlea facility, marking the completion of major construction activities at Torbanlea.

Energy & Utilities

In September 2025, Downer was awarded a significant new 10-year contract by Urban Utilities to deliver water and wastewater infrastructure in South East Queensland.

Transport

In May 2026, Downer was awarded a contract to support Sydney Trains' Tangara Fleet Life Extension program at our Cardiff Rail Facility in the Hunter Valley.

Transport

Awarded seven-year contract valued at $240 million (plus two one-year extension options valued at $70 million), to provide road maintenance and incident response services on Transurban's Northern assets in Sydney.

Facilities

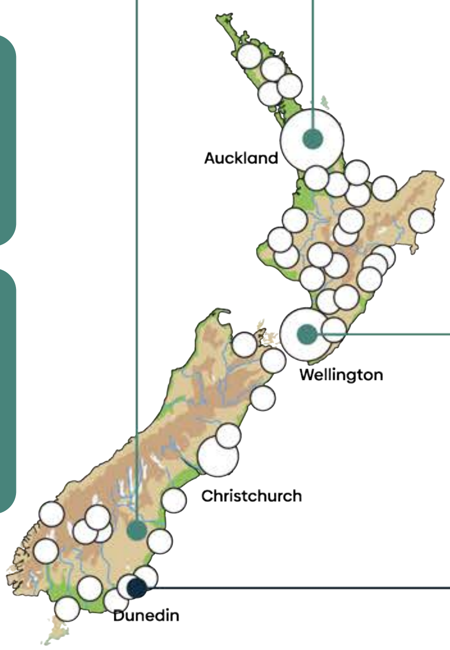
In September 2025, the Australian Department of Defence awarded Downer a new Property and Asset Services contract for an initial term of six years (with extension options up to four years) to deliver base and estate services across Defence's combined NSW and ACT region, and Queensland region, valued at approximately $3.05 billion over the initial term.

Transport

In May 2026, Downer commenced contracts to deliver road network maintenance across four NZ Transport Agency Waka Kotahi State highway networks – Taranaki (three years), Tairawhiti (three years), Central Waikato (10 years) and Coastal Otago (10 years). Total revenue from the Taranaki and Tairawhiti contracts and the initial seven years of work on the Central Waikato and Coastal Otago contracts is approximately NZ$1.5billion.

Transport

New Zealand's largest-ever transport infrastructure project, Auckland's City Rail Link, achieved Practical Completion in June 2026, ahead of official opening in September 2026. Downer is part of the Link Alliance that delivered the project.



Transport

In August 2025, Downer entered into a Project Alliance Agreement to construct the southern component of the Ōtaki to North of Levin highway project between Wellington and Palmerston North, valued at approximately NZ$310 million.

Energy & Utilities

Awarded renewal of Master Service Agreement with One NZ in July 2025, valued at approximately NZ$230 million over a maximum term of seven years, to continue delivering maintenance services across One NZ's network nationwide.

The Downer advantage

Downer's advantage is built on a set of differentiators and underpinned by four long-term structural tailwinds.

Our sovereign capability, trusted customer relationships, scale and market-leading positions have been earned over decades and are difficult to replicate. Combined with deep technical expertise and operational excellence, these differentiators position Downer to play a critical role in planning, delivering and maintaining essential infrastructure.

The sectors in which Downer holds leading positions sit at the centre of four powerful tailwinds that will play a role in shaping the future of Australia and New Zealand's economies. As investment accelerates in response to these long-term trends, Downer is well placed to support customers, capture opportunities and deliver sustainable growth.

- **Energy transition and data centres**. The transition to a lower-carbon economy, together with growing demand for data centre infrastructure, is driving significant investment in electricity networks and grid infrastructure. Downer brings more than 50 years of power and electrical engineering expertise to support this transition.
- **Defence spending**. Against a backdrop of increasing geopolitical uncertainty, Australian Defence spending is forecast to grow to 3% of GDP by 2033. Downer has proven capabilities in advisory, construction, maintenance and frontline services, underpinned by more than 80 years as a trusted partner to the Australian Defence Force.
- **Population growth**, urbanisation and rising expectations of public services continue to drive demand for transport, water, energy, telecommunications, education and health infrastructure — sectors in which Downer holds leading positions.
- **Local industry revitalisation,** which is increasing the need for resilient local supply chains, sovereign capability and trusted delivery partners. Over more than 160 years, Downer has built deep customer relationships and a sophisticated network of approximately 17,000 supply chain partners, combining local delivery capability with access to global technology and expertise.

Energy & Utilities

- Power & Gas
- Water
- Telco
- Energy & Industrial
- Data Centres

Transport

- Road Services
- Projects
- Rail & Transit Systems

Facilities

- Defence
- Health
- Education
- Government & IFM

Segments at a glance

Energy & Utilities

Power & Gas	**Telecommunications**	**Data Centres**
Water	**Energy & Industrial**	

Downer is a leading provider of energy, water and telecommunications infrastructure services, designing, building, operating and maintaining the assets that support millions of people across Australia and New Zealand.

Power & Gas

Downer's services include planning, designing, constructing and maintaining transmission and distribution power assets as well as gas network assets.

Downer provides end-to-end services to owners of utility assets. Downer constructs and maintains electricity and gas networks, provides asset inspection and monitoring services, connects tens of thousands of new customers each year and provides metering technology for efficient energy consumption for governments, utilities and corporations.

The business is well positioned to support the energy transition with a strong opportunity pipeline emerging – most notably in the delivery of power transmission and distribution infrastructure in Australia, where we have deep experience and strong capability in high voltage transmission lines, substations, and battery storage.

- Constructed 700 kilometres of transmission lines and 22 substations over the past five years in Australia
- More than 70 years of transmission delivery experience
- 15,000 new gas connections per year

Water

Downer delivers complete water lifecycle solutions for municipal and industrial water users.

In Australia, Downer works with eight major water utilities, helping deliver essential water and wastewater services to more than 13 million Australians – which equates to approximately half the population.

Downer's expertise includes water treatment, wastewater treatment, water and wastewater network design, construction, maintenance and rehabilitation, desalination and biosolids treatment.

As a provider of asset management services, Downer supports its customers across the full asset lifecycle from conceptual development through to design, construction, commissioning and into operations and maintenance.

- Water and wastewater services to more than 14.5 million people across Australia and New Zealand

Telecommunications

Working with Australia and New Zealand's largest telecommunications and technology providers, Downer delivers integrated civil construction, electrical, fibre, copper and radio network deployment capability.

Downer provides end-to-end technology, communication and metering service solutions, partnering with customers to build and strengthen their networks and infrastructure.

Key capabilities include design, engineering, consulting, maintenance and smart meter installation.

Delivering critical nbn infrastructure nationwide, enabling 26,000+ broadband upgrades, connecting 1,724 businesses, hauling 390 kilometres of cable and delivering 176 remote wireless sites.

Data Centres

Downer has delivered approximately $1 billion of data centre and enabling infrastructure projects. Downer has established capabilities across the Data Centre value chain, including power, telecommunications, water, civil infrastructure, construction, manufacturing, operations and asset management.

Energy & Industrial

Downer is a leading provider of end-to-end asset lifecycle and specialist services to Australia's critical economic infrastructure including the power generation, future energy, oil, gas, industrial, and mineral processing sectors.

With more than 50 years supporting Australia's industrial hubs, our key capabilities cover a full range of services including maintenance, shutdowns, turnaround and outage delivery, equipment overhauls and modifications, sustaining capital programs, manufacturing, project development and commissioning services. Through our Mineral Technologies business, Downer is also a leading provider of fine physical mineral separation solutions.

Provides maintenance and outage services essential in running Australia's power stations, servicing customers that supply 30% of the National Electricity Market

Segments at a glance

Transport

Road Services	Rail & Transit Systems
Projects	

Downer is a market leader in transport infrastructure, providing end-to-end solutions that support safe, efficient and reliable journeys across Australia, New Zealand and the Pacific.

Road Services

Downer manages and maintains road networks across Australia and New Zealand and manufactures and supplies products and services to enable safe, efficient and reliable journeys. Downer is one of the few companies with a mature, integrated offering across the Road Services value chain.

We deliver solutions to our customers' challenges through strategic asset management and a leading portfolio of products and services. We are a leading manufacturer of bitumen-based products and an innovator in the sustainable asphalt industry, using recycled products and environmentally sustainable methods to produce asphalt.

Downer also has an extensive history of delivering airport infrastructure and surfacing projects across Australia, New Zealand, and the Pacific Islands.

Projects

Downer delivers multi-disciplined infrastructure solutions to customers within the transport sector in New Zealand and the Pacific.

Services include the design and construction of heavy rail systems and stations, airport and marine port infrastructure, bridges, roads and vertical construction (through Downer's Hawkins business).

Downer has a long history of delivering infrastructure projects under a variety of contracting models and collaborative partnerships.

Downer's integrated capabilities enable intelligent transport solutions, road network management and maintenance.

- More than 45,000 kilometres of roads maintained across Australia and New Zealand
- More than 1.2 million m^2 airfield pavements upgraded / maintained across Australia and New Zealand

- More than 13,000 tonnes of steel erected per annum
- More than 200,000m^3 of concrete poured per annum

Rail & Transit Systems

For more than 160 years, Downer has helped shape rail and transit networks across Australia and New Zealand. As a partner to transport authorities, operators and freight customers, we bring together the capabilities required to ideate, design, integrate, deliver, operate and maintain complex transport systems across their full lifecycle.

As one of Australasia's leading rail and transit businesses, we combine expertise in project management, engineering, manufacturing, asset management and digital solutions. Working alongside global partners, we bring together world-class technology, sovereign capability, local knowledge, a local workforce and resilient supply chains to create practical solutions with lasting value.

From early concept development and system integration through to asset management and network operations, we help customers unlock the value of their investments, improving network performance, while delivering safer, more reliable and more sustainable outcomes for their communities.

As a trusted partner to transport authorities, operators and freight customers, we bring together the capabilities required to ideate, design, integrate, deliver, operate and maintain complex transport systems across their full lifecycle.

3,000+
rollingstock units built

2,000+
rollingstock units maintained

3,000+
rollingstock units overhauled

Segments at a glance

Facilities

Defence	Health
Education	Government & IFM

Downer provides end-to-end facilities management services across defence, health, education and government sectors, supporting critical operations through comprehensive solutions that enhance environments, maintain essential assets and enable high-quality service delivery.

Defence

Downer provides a broad range of technical advisory, base and estate management, and base infrastructure design and construction program delivery services to the Australian Defence Force and other government agencies.

We have a comprehensive Defence capability lifecycle offering and mindset. Our sovereign industry capability delivers to the needs of Defence and other government agencies.

- An ongoing relationship of more than 80 years supporting the Australian Defence Force
- 1,600+ in-house Defence security cleared staff
- Enable the support of approximately 40,000 Defence personnel

Health

Downer has supported the operation of hospitals and health precincts across Australia and New Zealand for over 40 years.

From Australasia's largest metropolitan hospitals to regional health hubs, we take care of essential services so our customers can focus on what matters most – delivering high-quality healthcare to our communities.

Downer's capabilities span facility and asset maintenance, facilities management help desks, patient support assistance, security, portering, cleaning, food services, car parking and traffic management, grounds and gardens, and retail management.

- Improving outcomes for 500,000 patients every year
- >4.2 million hours of support services delivered at healthcare facilities annually

Education

With more than 40 years of practical experience, Downer delivers facility and asset management solutions at leading schools and tertiary institutions in Australia and New Zealand.

Downer is experienced in operating under a variety of contracting models; working side by side with facility owners, staff, and students to shape service models that enhance learning environments.

We deliver integrated services such as building and grounds maintenance, project management, asset lifecycle and capital works delivery, sustainable utility solutions, and supporting a secure environment.

- Supporting the learning of 140,000+ primary, secondary and tertiary students
- Serving 50+ schools in Australia and New Zealand

Government & IFM

Downer is one of the largest integrated facilities management services providers in Australia and New Zealand, delivering property and facilities management services to government departments, agencies and authorities, as well as private customers. Downer provides management of its customers' assets across their lifecycle.

With more than two decades in the Public Housing sector, we deliver multi-trade maintenance services around the clock, 365 days a year to customers in Australia and New Zealand. We also retrofit and upgrade services to maintain and modernise housing for tenant experience.

Downer also partners with operators of corrections facilities – including prisons and Australian-based detention centres – to deliver maintenance services that underpin rehabilitation and security.

We are also experienced at working in complex environments for industrial, manufacturing, commercial, retail and not-for-profit customers.

- 8,000+ vacant public housing properties remediated for re-let per annum
- 520,000+ works programs completed on public housing dwellings each year

Directors' Report

For the year ended 30 June 2026

Downer's Power Projects team constructs switchyards and substations, including a number of renewable energy connections such as the Uungula Wind Farm

Board of Directors

The Directors of Downer EDI Limited submit the condensed consolidated financial report of the Company for the financial year ended 30 June 2026. In compliance with the provisions of the *Corporations Act 2001* (Cth), the Directors' Report is set out below.

Mark Menhinnitt (61)

Chair since March 2023
Independent Non-executive Director since March 2022

Mr Menhinnitt is an experienced director and former senior executive with extensive domestic and international experience in large infrastructure development and urban regeneration, investment management, construction, asset services, operations and maintenance.

Mr Menhinnitt held several senior roles over a 30-year career with Lendlease, including as Chief Executive Officer of Lendlease Australia.

Mr Menhinnitt is currently a Non-executive Director of The GPT Group and is a former Chairman of Fluent Property Pty Ltd.

Mr Menhinnitt holds a Bachelor of Engineering (Mechanical) and Master of Business (Applied Finance), both from the Queensland University of Technology.

He is a member of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Mr Menhinnitt lives on the Sunshine Coast.

Peter Tompkins (47)

Managing Director and CEO since February 2023

Mr Tompkins was formerly Chief Operating Officer of Downer and prior to that was CEO and Managing Director of Spotless Group Holdings Limited.

Mr Tompkins has extensive experience in infrastructure, construction and maintenance services, both as an operational and Group executive.

Mr Tompkins joined Downer in 2008 and was appointed General Counsel in 2010.

Mr Tompkins holds a Bachelor of Laws and Bachelor of Commerce from Deakin University.

Mr Tompkins lives in Sydney.

Peter Barker (58)

Independent Non-executive Director since July 2024

Mr Barker is an experienced Non-executive Director and senior executive with experience in finance, risk management, corporate structuring including mergers, acquisitions and divestments, and systems transformation in complex multi-jurisdictional environments in the engineering, services and technology sectors.

Mr Barker has 14 years' experience as a Chief Financial Officer of ASX-listed multinational companies including Computershare Ltd and Cardno Ltd. Prior to this he held senior financial leadership positions with global corporations including BHP and Cisco Systems.

Mr Barker is currently a Non-executive Director of South Port New Zealand Limited. Mr Barker previously served as a Non-executive Director of Workpac Group, Mastermyne Group Limited and Independent Cement & Lime Group.

Mr Barker holds a Bachelor of Commerce from the University of Queensland, a Master of Business Administration from Heriot-Watt University and is a graduate of the Wharton School of the University of Pennsylvania's Advanced Management Program. He is a member of the Australian Institute of Company Directors and is a Fellow of CPA Australia.

Mr Barker lives in Brisbane.

Sheridan Broadbent (58)

Independent Non-executive Director since October 2023

Ms Broadbent is an experienced Non-executive Director and senior executive with a background in business strategy, technology, business development, and health and safety in the utilities and telecommunications sectors. Having worked in both Australia and New Zealand and being based in Auckland, Ms Broadbent brings a deep understanding of the New Zealand market.

Ms Broadbent has held Chief Executive and senior executive roles in the energy, telecommunications and engineering sectors in the Asia Pacific region, including with Downer, in Australia and NZ from 2007 to 2011.

Ms Broadbent is currently the Chair of the Business Leaders' Health & Safety Forum in New Zealand.

Ms Broadbent has previously served as a Non-executive Director of listed companies Manawa Energy and Spark New Zealand, Chair of Kordia Group, Chair of Pipeline and Civil Ltd, a Non-executive Director of Transpower, Kaingaroa Timberlands and Waka Kotahi New Zealand Transport Authority, and as a member of the NZ Government's Cyber Security Advisory Committee.

Ms Broadbent holds a Bachelor of Commerce from the University of Auckland and is a graduate of Harvard Business School's Advanced Management Program. She is a graduate member of the Australian Institute of Company Directors and a Fellow of the NZ Institute of Directors.

Ms Broadbent lives in Auckland.

Annette Carey (65)

Independent Non-executive Director since November 2025

Ms Carey is an experienced Non-executive Director and senior executive with experience in the logistics, supply chain, government and security sectors in Australia and internationally. Ms Carey is experienced in strategy development, mergers and acquisitions, business transformation including digital transformation, project governance and commercial negotiations.

Ms Carey has led multi-billion-dollar operational businesses, including as CEO of Linfox Logistics and Linfox Armaguard.

Ms Carey is currently a Non-executive Director of ASX listed companies Sigma Healthcare and Bapcor, and Kinetic Group and is a former Non-executive Director of National Intermodal.

Ms Carey holds a Bachelor of Laws and a Bachelor of Arts from Monash University, Victoria.

Ms Carey lives in Melbourne.

Kerry Gleeson (59)

Independent Non-executive Director since September 2025

Ms Gleeson is an experienced Chair and Non-executive Director in the industrial, mining and resources sectors, with over 25 years of ASX experience as a director, senior executive and board advisor, working nationally and internationally.

Ms Gleeson spent over 15 years in private corporate legal practice before a successful senior executive career, most recently with ASX listed global chemicals and explosives Group, Dyno Nobel (formerly Incitec Pivot).

Ms Gleeson is currently the Chair of St Barbara Limited and a Non-executive Director of Australian Strategic Materials and Chrysos Corporation and a former Non-executive Director of two ASX-listed companies, including a former Chair of Trinity College, University of Melbourne and a former member of the ASIC Director Advisory Panel.

Ms Gleeson is a fellow of the Australian Institute of Company Directors and holds a Bachelor of Laws from the University of Essex.

Ms Gleeson lives in Victoria.

Dr Adelle Howse (56)

Independent Non-executive Director since April 2022

Dr Howse has extensive senior executive and non-executive experience in the infrastructure, energy and resources, construction, data centres, telecommunications and property sectors.

Dr Howse held several senior roles with CIMIC, including Chief Strategy Officer.

Dr Howse is currently Non-executive Chair of Scalare Partners and Sydney Desalination Plant and a Non-executive Director of BAI Communications.

Dr Howse has previously served on the boards of Macquarie Technology Group, Design Studio Group, Ventia, Nextgen Holdings and Manila North Tollroads Corporation.

Dr Howse holds a Bachelor of Science and Doctor of Philosophy (Mathematics) from the University of Queensland, an executive MBA from IMD, Switzerland and a Graduate Diploma of Applied Finance and Investment. She is a member of the Australian Institute of Company Directors.

Dr Howse lives in Sydney.

Steven MacDonald (65)

Independent Non-executive Director since September 2023

Mr MacDonald was formerly the Managing Director of Zinfra and prior to that held several senior executive roles in Transfield Services Limited, including Chief Executive Officer for Marketing and Investments where he led mergers and acquisitions including their integration and transformation, Chief Executive Officer of Transfield Services Infrastructure Fund and Chief Strategy Officer.

Mr MacDonald is currently a Non-executive Director of Ausgrid, Chair of ERIC Alpha Holdings and its subsidiaries, Chair of Intera Renewables and a member of Palisade Investment Partners Investment Committee and the Water NSW Asset Advisory Group.

Mr MacDonald holds a Bachelor of Civil Engineering (Hons) from Melbourne University and is a member of the Australian Institute of Company Directors.

Mr MacDonald lives in Sydney.

Retired Directors

Teresa Handicott

Independent Non-executive Director since September 2016. Retired 11 November 2025.

Directors' shareholdings

The following table sets out each Director's relevant interest (direct and indirect) in shares, debentures, and rights or options in shares or debentures (if any) of the Company at the date of this report. No Director has any relevant interest in shares, debentures and rights or options in shares or debentures, of a related body corporate as at the date of this report.

Director	Number of Fully Paid Ordinary Shares	Number of Fully Paid Performance Rights	Number of Fully Paid Performance Options
Mark Menhinnitt	92,748	–	–
Peter Tompkins[1]	345,833	1,267,414	–
Peter Barker	27,031	–	–
Sheridan Broadbent	22,590	–	–
Annette Carey	10,000	–	–
Kerry Gleeson	–	–	–
Adelle Howse	32,885	–	–
Steven MacDonald	29,852	–	–

1 Performance rights granted to Mr Tompkins are subject to performance and/or service period conditions over the period 2023 to 2029. Further details regarding the conditions relating to these restricted shares and performance rights are outlined in sections 6.5 and 9.2 of the Remuneration Report.

Company Secretary

The Company Secretarial function assists the Company to comply with its statutory duties and maintains proper documentation, registers and records. It also provides advice to Directors and officers about corporate governance and gives practical effect to any decisions made by the Board.

Mr Robert Regan was appointed Group General Counsel and Company Secretary in January 2019. He has qualifications in law from the University of Sydney and is an admitted solicitor in New South Wales. Mr Regan was formerly a partner of a major commercial law firm and has over 30 years of experience in legal practice.

Mr Peter Lyons was appointed Company Secretary in July 2011. A member of CPA Australia and the Governance Institute of Australia, he has qualifications in commerce from the University of Western Sydney and corporate governance from the Governance Institute of Australia. Mr Lyons was previously Deputy Company Secretary and has been in financial and secretarial roles at Downer for over 20 years.

Operating and Financial Review

Downer's Defence team delivers base and estate management services for the Australian Defence Force under the Property and Asset Services contract.

Principal activities

Downer EDI Limited (Downer) is a leading provider of integrated services across Australia and New Zealand, delivering and maintaining essential infrastructure that enables communities to thrive. The demand for our services is shaped by investment in the energy transition and data centres, defence capability, government services and infrastructure expansion necessary to support population growth, and local industry revitalisation. The sectors where we operate include roads, rail, ports and airports, power, gas, water, telecommunications, energy networks, health, education, defence, and other government sectors.

These sectors are served by Downer's Transport, Energy & Utilities and Facilities segments.

Health, Safety and Wellbeing

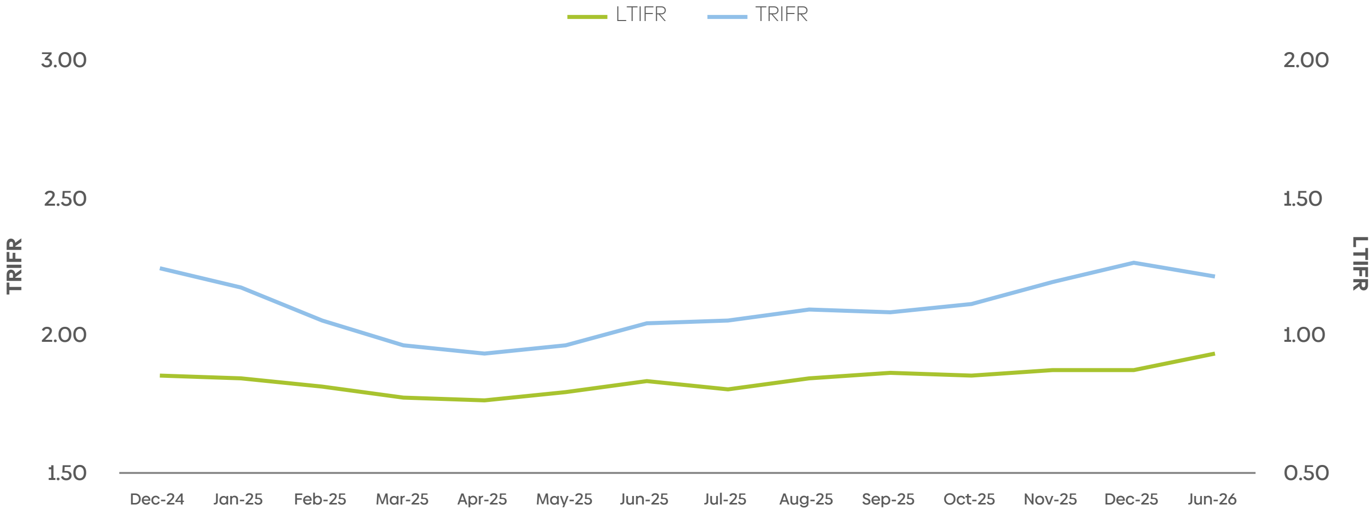
Downer is steadfastly committed to the protection of our people, communities, and the environment. Safety and preventing serious and fatal incidents remain our top priority.

Downer operates in sectors involving high-risk activities, and we remain committed to continually improving our systems and processes, with a strong focus on critical control effectiveness. We are focused on embedding our Health and Safety Strategic Plan across the business, with priority areas including streamlining core systems, standardising critical risk terminology and reporting codes, embedding psychosocial risk management, promoting health and wellbeing initiatives, and improving workers' compensation and injury management governance. Underpinning our approach is the recognition that sustained safety performance is achieved through visible leadership, clear accountability, psychological safety, effective work design, and the systematic oversight of operating conditions and critical controls that influence sustainable health, safety and wellbeing outcomes across the organisation.

At 30 June 2026, Downer recorded a Lost Time Injury Frequency Rate (LTIFR) of 0.93[1] which was above the target of less than 0.90 while the Total Recordable Injury Frequency Rate (TRIFR) of 2.21[2] remained below the target of 3.00. Both injury frequency rate measures were slightly higher compared to 30 June 2025 results of 0.83 (LTIFR), and 2.04 (TRIFR). In January 2026, a workplace fatality occurred in Downer's New Zealand Roads team and was felt deeply across our business. Downer acknowledges this tragic loss and extends its sincerest condolences to the team member's family, friends and colleagues.

We remain committed to learning from incidents, strengthening critical controls and building a culture where every person returns home safely.

Group safety performance (12-month rolling frequency rates)



For further information refer to our 2026 ESG Impact Report.

1 Lost time injuries (LTI) are defined as injuries that cause the injured person (employee or contractor) to be unfit to perform any work duties for one whole day or shift, or more, after the shift on which the injury occurred, and any injury that results, directly or indirectly, in the death of the person. The LTIFR is the number of LTI per million hours worked.

2 Total Recordable Injuries (TRI) are the number of LTI plus medically treated injuries (MTI) for employees and contractors. TRIFR is the number of TRI per million hours worked. LTIFR and TRIFR have been calculated on a 12-month rolling period.

Sustainability

Downer's Purpose is 'Enabling communities to thrive', which articulates the positive impact that Downer's services have on millions of people each day. Our Purpose underscores the importance of sustainable operations for our people, partners, shareholders, customers, and the communities where we operate. We are conscious of the impact our activities have on individuals, communities and the environment.

Safety and Sustainability are foundational pillars of our strategy. To Downer, sustainability means working to reduce our impact on the environment; as well as prioritising the safety of our people, building trusted relationships and having a diverse and inclusive workforce. This, combined with our financial performance, contributes to the creation of shareholder value.

We are strategically positioned to leverage our market presence, capabilities and sustainability commitment to help support our customers in achieving their sustainability objectives, including the energy transition. Further details can be found in our 2026 ESG Impact Report, which is available on Downer's website.

Downer EDI Limited is a climate reporting entity for the purposes of Chapter 2M of the *Corporations Act 2001* (Cth). Our 2026 Annual Report contains Downer EDI Limited's first climate-related disclosures that comply with the Australian Sustainability Reporting Standards ASRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and AASB S2 *Climate-related disclosures* for that period. These disclosures inform stakeholders about Downer's governance of climate-related risks and opportunities, scenario analysis and our climate-related plans including metrics and targets.

Our sustainability commitments are outlined in policies available at **www.downergroup.com**.

Group financial performance

	Statutory			Underlying[3] (excl. ISI)			Pro forma[4] (excl. divestments and AHFS)		
$'m	FY26	FY25	Change	FY26	FY25	Change	FY26	FY25	Change
Revenue[1]	9,744.8	10,531.5	(7.5) %	9,873.3	10,885.7	(9.3) %	9,804.4	10,348.6	(5.3) %
EBITA[2]	404.2	310.7	30.1 %	502.9	474.2	6.1 %	496.5	454.4	9.3 %
EBITA[2] %	4.1 %	3.0 %	1.1 pp	5.1 %	4.4 %	0.7 pp	5.1 %	4.4 %	0.7 pp
Amort - acq.	(18.3)	(27.5)	33.5 %	(18.3)	(21.0)	12.9 %	(18.3)	(21.0)	12.9 %
EBIT	385.9	283.2	36.3 %	484.6	453.2	6.9 %	478.2	433.4	10.3 %
Interest	(67.6)	(82.1)	17.7 %	(67.6)	(82.1)	17.7 %	(67.6)	(82.1)	17.7 %
Tax	(92.9)	(52.0)	(78.7) %	(123.1)	(106.4)	(15.7) %	(121.9)	(104.8)	(16.3) %
NPAT	225.4	149.1	51.2 %	293.9	264.7	11.0 %	288.7	246.5	17.1 %
NPATA[2]	238.2	168.4	41.4 %	306.7	279.4	9.8 %	301.5	261.2	15.4 %

Downer's result for the 12 months to 30 June 2026 delivered solid earnings and margin uplift driven by project delivery and cost to serve focus from a higher quality more resilient diversified portfolio. Earnings growth was supported by solid cash conversion, balance sheet strength and growth in work-in-hand.

1. Revenue includes revenue and other income. Total revenue for underlying and pro forma is a non-statutory disclosure and also includes notional revenue from joint ventures and other alliances not proportionately consolidated.
2. Downer calculates EBITA and NPATA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.
3. The underlying result is a non-IFRS measure that is used by management to assess the performance of the business and includes the contribution of divested businesses and assets held for sale. Non-IFRS measures have not been subject to audit or review.
4. Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Financial report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.

Highlights for the 12 months to 30 June 2026 include:

- Statutory NPAT grew 51.2% on FY25 to $225.4 million.
- Underlying NPATA grew by 9.8% on FY25 to $306.7 million.
- Underlying EBITA increased 6.1% on FY25 to $502.9 million.
- Revenue decreased 4.6% on an FY26 underlying to FY25 pro forma basis (2.8% decline if the 1.8% AUD/NZD FX translation impact is removed).
- Underlying EBITA margin increased to 5.1% compared to 4.4% in FY25, with an average EBITA margin of 4.7% across FY25 and FY26, exceeding the >4.5% management target.
- Normalised[1] cash conversion of 91.1% exceeded our target of greater than 90%.
- Work-in-hand increased 9.7% to $38.5 billion, driven by strategic wins.
- Leverage ratio (net debt to EBITDA) improved to 0.8x from 0.9x at June 2025.
- Final dividend of 16.3 cents per share increased by 16% compared to FY25, at a 65% payout ratio and will be 100% franked (FY25: 89% franked with a payout ratio of 63%). Total dividend for FY26 of 29.2 cents per share.
- Underlying EPS increased 14% to 42.9 cents per share.

Commentary on Group earnings, work-in-hand, revenue and segment performance are discussed below.

Group performance – margin-led earnings growth

In line with Downer's business transformation program, we have strategically prioritised the quality of earnings and adjusted tendering risk guardrails to align the business with its core competencies, aiming to achieve sustainable and acceptable risk return outcomes. In FY26, Downer also completed certain previously identified underperforming contracts, including the low margin projects in water and a power maintenance contract which has not been renewed. Our portfolio simplification program has improved margin in the period, following the divestment of non-core businesses typically with low margin revenue or a risk profile not aligned with our risk appetite.

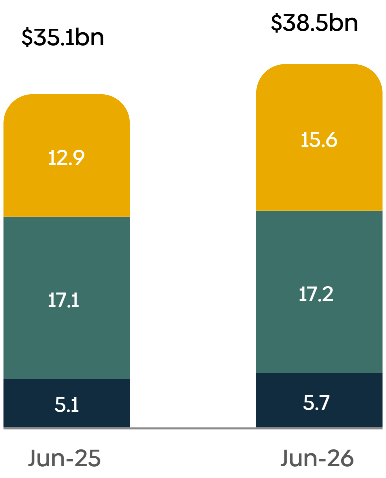
Given the significance of the impact of divestments on the reported results, management's analysis has focused on the pro forma contribution (i.e. after adjusting for the contribution of divestments, held-for-sale assets and individually significant items) unless otherwise stated. It is expected that underlying and pro forma reporting will align in future reporting periods as the portfolio simplification program is largely complete.

Pro forma revenue decreased by 5.3% to $9.8 billion with mixed trading conditions experienced across the portfolio of businesses. Transport revenues decreased 3.3%, Energy & Utilities revenues decreased 10.9% whilst Facilities revenues decreased 1.8%. A weaker New Zealand Dollar accounted for $181.9 million of the revenue decline or a 1.8% impact on the decline reported.

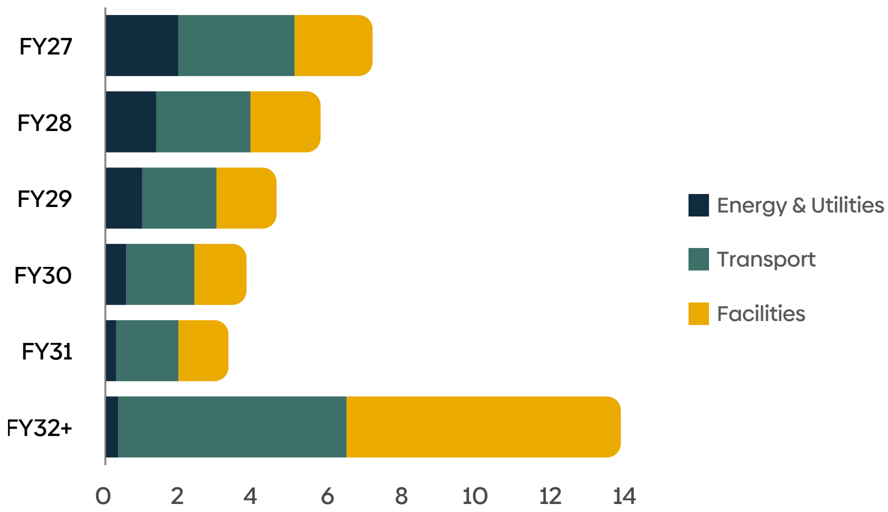
The focus on earnings and margin quality resulted in an improvement across all segments with a 9.3% increase in EBITA on a pro forma basis to $496.5 million, and a 15.4% increase in pro forma NPATA to $301.5 million. This increase in earnings was primarily supported by the ongoing turnaround within the Energy & Utilities business, the stabilisation of Australian Road Services during the second half, good contributions from our Rail business driven by progress on QTMP and steady New Zealand performance through disciplined project delivery in the Transport business, with all segments continuing to benefit from the Group's ongoing cost out programs and the completion, renegotiation and performance improvement of underperforming contracts. Further details on performance by segment are explained in Segment Financial Performance.

[1] Normalised underlying cash conversion has been adjusted to remove the cash outflows associated with FY25 and FY26 ISIs (not in underlying EBITDA) totalling $56.2m (FY25 equivalent of $92.0m). Cash conversion is calculated as operating cash flow excluding tax and interest, divided by underlying EBITDA.

Work-in-hand by reporting period



Work-in-hand profile by segment – June 26



Work-in-hand increased 9.7% to $38.5 billion at 30 June 2026, driven by a number of high quality contract wins strengthening our market positions including:

- $3.05 billion 6-year Australian Defence Property and Asset Services (PAS) contract (with extension options up to 4 years).
- $1.5 billion of secured work and extensions across the Australian and New Zealand water market, including Urban Utilities and other South East Queensland, New South Wales and New Zealand water contracts.
- NZ$ 1.5billion of network maintenance contracts across four New Zealand Transport Agency Waka Kotahi (NZTA) contracts.
- $500 million Chevron WA 10-year maintenance and support contract (with a 5-year $250 million extension option).
- $500 million Stockland Integrated Facilities Management contract (with a $500 million 5-year extension option).
- $450 million of transitional energy power projects and panel agreements for customers including Electranet, AusNet and Transgrid.
- NZ$310 million New Zealand Transport Authority contract, building the Roads of National Significance from Ōtaki to North of Levin.
- $240 million Transurban 7-year incident response and road maintenance services contract (with $70 million of extension options up to two years).
- A number of new contract wins, extensions and renewals across Power Projects, Energy and Industrial, Telco, Housing and Rail.

Work-in-hand has increased across all segments, with Facilities increasing by 20.2%, Energy & Utilities by 11.5% and Transport by 0.6%. Our work-in-hand is diversified by industry, is approximately 90% government-related and comprises approximately 93% services.

Statutory EBITA of $404.2 million for the period, including individually significant items (ISIs) of $98.7 million, reflects a 30.1% improvement on $310.7 million in FY25.

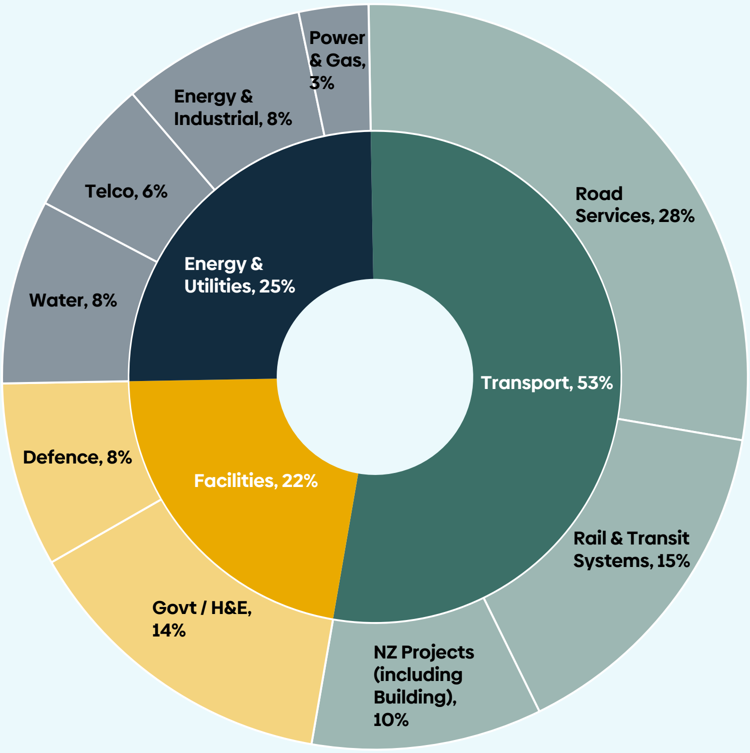
ISIs before tax reduced 41.9% to $98.7 million, with the ISIs relating to gains or losses from the Group's divestment program, or ongoing transformation efforts as the Group rebases its cost structure and asset impairment recognised in the year. Details on the Group's ISIs are included within Note B3. Individually significant items.

Underlying income tax expense increased 15.7% to $123.1 million, mainly as a result of the higher reported profit before tax of $417.0 million. The underlying effective tax rate of 29.5% is lower than the Australian statutory corporate tax rate of 30.0%, primarily due to the impact of non-taxable distributions and franked dividends from joint ventures and associates, and profits earned in jurisdictions with lower corporate tax rates such as New Zealand (28%).

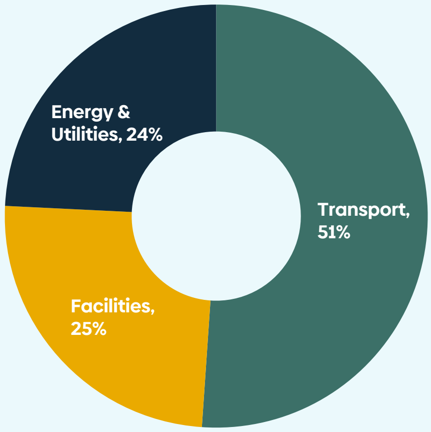
Segment financial performance

Segment contribution to pro forma revenue and EBITA

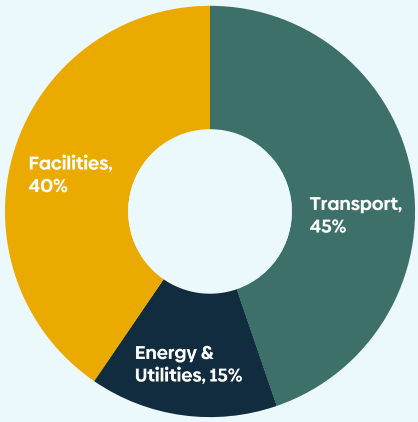
FY26 Revenue $9.8bn[1,2]



FY26 Segment EBITA $581.4m[1,3]



June 2026 WIH $38.5bn



[1] Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Financial report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review. The FY26 Group pro forma EBITA $496.5 million is equal to segment EBITA of $581.4 million less Unallocated of $84.9 million.

[2] Revenue is a non-statutory disclosure and includes revenue, other income and notional revenue from joint ventures, other alliances not proportionately consolidated.

[3] Downer calculates EBITA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.

Energy & Utilities

- Water
- Power & Gas
- Data Centres
- Telecommunications
- Energy & Industrial

Revenue decreased by 10.9% to $2.5 billion, while EBITA increased by 20.0% to $140.9 million.

Revenue contraction was principally driven by reduced outsourced volumes in Australian Telecommunications following the consolidation of providers and negative foreign exchange impacts of $31 million. This was partially offset by revenue growth in Water with mobilisation of secured contracts to meet an uplift in essential infrastructure investment.

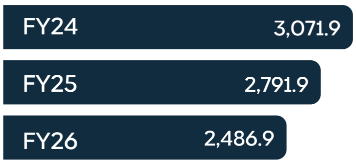
Earnings improved driven by Australian Power Projects (including transmission line and substation projects), strong delivery performance based on robust risk management and disciplined execution, and lower cost to serve. The margin uplift was aided by the exit of the dilutive Victorian power maintenance contract in July 2025.

Highlights include:

- Commenced a NZ$600 million electricity field services contract with Powerco New Zealand in July 2025.
- Commenced a NZ$230 million telco master services agreement with One NZ in July 2025 to continue delivering network nationwide maintenance services.
- Step change in near-term pipeline driven by energy transition investment across grid transformation, renewables, gas firming, battery storage and critical minerals.
- Strong demand outlook in the Data Centre sector spanning infrastructure, utilities, and power generation.

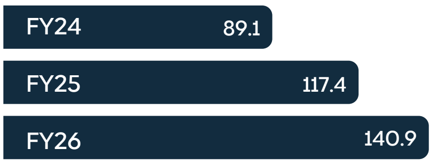
Revenue [1,2] ▼ **10.9%**

$2.5bn



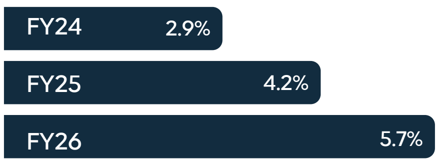
EBITA[1,3] ▲ **20.0%**

$140.9m



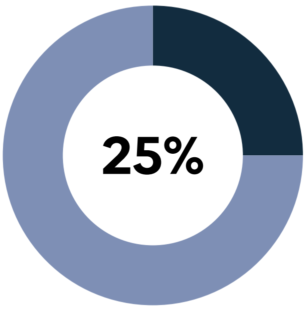
EBITA margin[1,3] ▲ **1.5pp**

5.7%

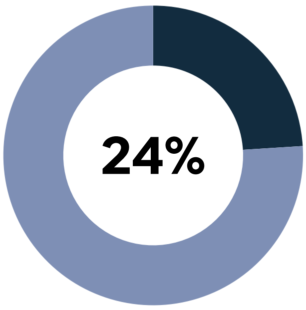


Segment % of FY26 total

Revenue[1,2]



EBITA[1,3]



1. Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Financial report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.
2. Revenue is a non-statutory disclosure and includes revenue, other income and notional revenue from joint ventures, other alliances not proportionately consolidated.
3. Downer calculates EBITA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.

Transport

- Road Services
- Rail & Transit Systems
- Projects

Revenue decreased by 3.3% or $176.0 million, to $5.2 billion. EBITA increased by 6.8% or $19.0 million to $297.0 million.

Revenue was impacted by softer activity in New Zealand, including a number of projects completing, Hawkins revenue reflected selective tendering and disciplined project delivery, and approximately $135 million impact from foreign exchange.

Transport Agency volumes stabilised in Australia during the second half, noting solid 4Q26 volumes despite uncertainties in the external environment.

Rail & Transit Systems (RTS) revenue was supported by continued strong delivery on the Queensland Train Manufacturing Program (QTMP), with High Capacity Metro Train (HCMT) transition to maintenance contributing lower revenue.

An uplift in earnings was driven by improved contract execution, resulting in higher margins and RTS margin growth from refurbishment and manufacturing projects.

Highlights include:

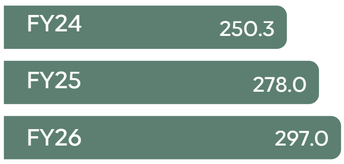
- Appointment of Doug Moss as Chief Operating Officer of Transport & Infrastructure in April 2026.
- The $4.6 billion QTMP achieved key milestones, including occupation certification of the Torbanlea manufacturing facility, commencement of rollingstock manufacturing, prototype train testing ahead of shipment to Queensland and ongoing construction progress at the Ormeau maintenance facility.
- NZ$1.0 billion Auckland City Rail Link project reached practical completion in June 2026 ahead of the opening in September 2026.
- Keolis Downer divestment completed, generating $68.7 million in sale proceeds and $27.3 million in dividends
- Commenced NZ$1.5 billion NZ State highway road maintenance contracts in May 2026.
- Strong delivery of building works for the NZ$800 million Domestic Jet Terminal contract at Auckland Airport.

Revenue[1,2] ▼ 3.3%

$5.2bn

EBITA[1,3] ▲ 6.8%

$297.0m

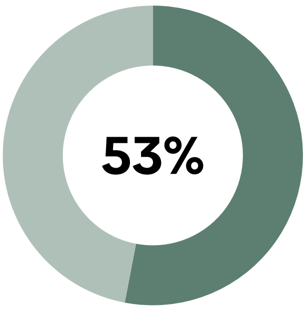


EBITA margin[1,3] ▲ 0.5pp

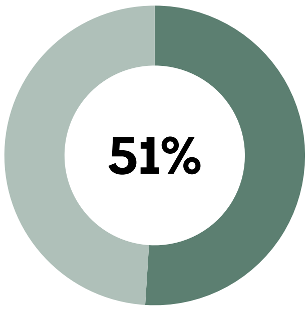
5.7%

Segment % of FY26 total

Revenue[1,2]



EBITA[1,3]



1. Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Financial report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.
2. Revenue is a non-statutory disclosure and includes revenue, other income and notional revenue from joint ventures, other alliances not proportionately consolidated.
3. Downer calculates EBITA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.

Facilities

- Defence
- Health
- Education
- Government & IFM

Revenue decreased by 1.8% or $38.7 million, to $2.1 billion, while EBITA decreased by 4.8% or $7.2 million to $143.5 million. EBITA margin of 6.8% decreased by 0.2%.

Revenue was impacted by the transition from the Defence Estate Management and Operations Services (EMOS) contract to the Property and Asset Services (PAS) contract from February 2026, with progressive activity ramp up targeted to reach the expected run rate during 1H27. This was partially offset by a growth in volumes across Government & IFM, with the full year operation of Homes NSW (RAPM) and Home Affairs maintenance contracts and a solid performance in Health & Education.

As anticipated, margins were impacted by the PAS margin reset which were partially offset by disciplined contract delivery, turnaround of underperforming contracts and cost efficiency improvements with Government & IFM delivering strong year-on-year EBITA growth.

Highlights include:

- Awarded a $3.05 billion Defence Property and Asset Services contract, successfully commenced in February 2026 under an initial 6-year term, with extension options up to 4 years.
- Awarded a $500 million 5-year Integrated Facilities Management agreement with Stockland Corporation which commenced in August 2026.
- NZ Cleaning divestment completed.
- Invested in Work Management Systems and operating model improvements to enhance efficiency.
- Strong pipeline supported by Defence, Government and commercial outsourcing, underpinning long-term revenue visibility.

Revenue[1,2] ▼ 1.8%

$2.1bn

FY24	2,161.9
FY25	2,163.4
FY26	2,124.7

EBITA[1,3] ▼ 4.8%

$143.5m

FY24	148.4
FY25	150.7
FY26	143.5

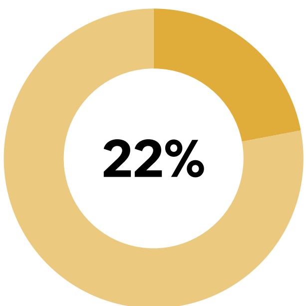
EBITA margin[1,3] ▼ 0.2pp

6.8%

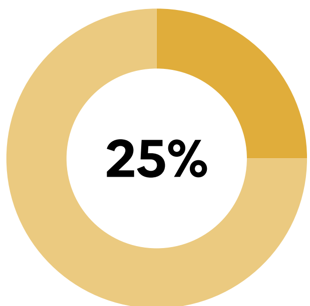
FY24	6.9%
FY25	7.0%
FY26	6.8%

Segment % of FY26 total

Revenue[1,2]



EBITA[1,3]



1. Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Financial report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.
2. Revenue is a non-statutory disclosure and includes revenue, other income and notional revenue from joint ventures, other alliances not proportionately consolidated.
3. Downer calculates EBITA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.

Cash flow

Operating cash flow

Underlying cash conversion (operating cash flow excluding interest and tax over underlying EBITDA) was 83.7% (FY25: 86.4%). Normalised cash conversion, adjusting for payments associated with FY25 and FY26 ISIs (together $56.2 million), equates to 91.1%, above the Group's target of 90%, reflecting contract management, cash collection, and resolution of variations and claims to continue delivery of cash backed profits.

Statutory operating cash flow of $503.3 million was down $59.2 million, mainly due to an increase in tax payments on higher profitability of $28.7 million and negative FX translation impacts of $38.4 million

Investing cash flow

Total investing cash outflow of $75.7 million includes $70.7 million of proceeds from the disposal of businesses during the period, net of cash disposed. Refer to note F6 for details.

Net capex increased from $111.4 million to $137.3 million. Gross capex of $144.9 million reflected targeted capital and intangible asset expenditure (capex), focused on supporting new projects, efficiency enhancing assets, including plant and equipment refresh and a new work management system in Facilities. Net capex was impacted by a reduction in disposal proceeds from equipment sales.

Free cash flow decreased from $323.9 million in FY25 to $228.6 million in FY26. This was largely driven by a decrease in operating cash flows, increases in net short-term advances made to Joint Venture entities and higher net capex.

Debt and bonding

The Group has continued to improve leverage to build capacity to invest and to pursue strategic growth opportunities, with reduced net debt to Underlying EBITDA (which includes lease liabilities) of 0.8x at 30 June 2026, an improvement from 0.9x at 30 June 2025.

At 30 June 2026, the Group had liquidity of $1.8 billion, comprising cash balances of $766.4 million and undrawn committed debt facilities of $1,030.0 million. Net debt (excluding lease liabilities and including Deferred Finance Costs and Derivative Marked to Market (MTM)) reduced from $259.3 million at 30 June 2025 to $254.2 million at 30 June 2026.

During the period, Private Placement Notes of 100.0 million United States Dollars and 30.0 million Australian Dollars were repaid at maturity in July 2025. Medium Term Notes of $500.0 million Australian Dollars were repaid in April 2026 and replaced with a new $400.0 million Australian Dollar Medium Term Note maturing April 2033. The $400.0 million bridge facility was cancelled following the issue of the new notes. This extended the debt maturity profile to 4.1 years from 3.5 years at 30 June 2025.

Fitch Ratings (Fitch) re-affirmed the Group's issuer rating as BBB in February 2026. Downer notes it has increased its underlying EBITDA margin above the minimum requirement of 5% to 6% at 30 June 2026.

The Group's performance bonding facilities totalled $1,801.9 million at 30 June 2026 with $678.8 million remaining undrawn. During the 12 months to 30 June 2026, surplus limits were rationalised, resulting in a $100.9 million reduction of total bonding facility limits and related cost savings in fees. There is sufficient capacity to support the existing pipeline and the ongoing operations of the Group.

On-market share buy-back

The Group commenced its on-market share buy-back program in September 2025, acquiring 12.6 million shares through FY26 totalling $96.5 million as part of a share buy-back announced of $260 million, equivalent to 5% of the issued capital of the Group.

Dividends

The Downer Board resolved to pay a Final dividend of 16.3 cents per share, 100% franked, payable on 1 October 2026 to shareholders on the register at 3 September 2026.

The total dividend for FY26 of 29.2 cents per share represented a payout ratio of 65% of Underlying NPATA, within target payout range of of 60-70% of Underlying NPATA.

The Company's Dividend Reinvestment Plan remains suspended.

The Board also determined to continue to pay a fully imputed dividend on the ROADS security, which having been reset on 15 June 2026 has a yield of 7.14% per annum payable quarterly in arrears, with the next payment due on 15 September 2026. As this dividend is fully imputed (the New Zealand equivalent of being fully franked), the actual cash yield paid by Downer will be 5.14% per annum until the next reset date.

Balance sheet

The Company is committed to maintaining a strong balance sheet and maintains an investment grade credit rating with Fitch re-affirming an issuer rating of BBB in February 2026. The Company's credit rating provides customers with confidence around the financial strength of the Company and its ability to provide services particularly for long-term maintenance contracts.

Since 30 June 2025, leverage improved from 0.9x at June 2025 to 0.8x at June 2026 as the Group strengthens its balance sheet with the capacity to invest for future growth.

The portfolio simplification program, which focused on the divestment of underperforming, low-margin and non-core businesses, was substantially completed during the period.

Net divestment proceeds of $70.7 million, together with strong cash generation from operations, contributed to a $33.6 million reduction in net debt, calculated as borrowings (excluding lease liabilities) less cash and cash equivalents.

Other assets and liabilities decreased by $103.4 million, mainly reflecting a $63.7 million reduction in assets and liabilities held for sale following completion of the Keolis Downer divestment and the transfer and demobilisation of the Power Maintenance Contract (refer to Note F6).

Net working capital, which includes current trade receivables and contract assets and current trade payables and contract liabilities, increased slightly by $46.5 million.

Property, plant and equipment (PP&E) decreased by $38.4 million to $748.4 million, largely attributable to depreciation of $107.9 million, impairments of $20.4 million and foreign exchange translation differences of $21.6 million. These were partially offset by net capital expenditure of $118.2 million.

Intangible assets declined by $38.4 million to $2.0 billion, driven by amortisation expense of $53.2 million, primarily from customer contract intangibles and software and system development assets, partially offset by investment in work management systems in Facilities.

Total equity decreased by $100.1 million, largely as a result of the share buy-back, where 12.6 million shares were acquired on-market at a cost of $96.5 million, foreign currency translation differences of $47.4 million and dividends paid during the period of $189.1 million, offset by the $225.4 million statutory profit generated by the Group during FY26.

Strategic objectives and future opportunities

Downer is transitioning to sustainable growth. We are leveraging our strong trans-Tasman market positions across Transport, Energy & Utilities and Facilities to capitalise on significant growth opportunities aligned to critical infrastructure investment cycles, the energy transition and evolving customer needs.

Our specialist capabilities, enduring customer relationships and operational scale combine to create a differentiated platform for value creation:

- Provider of essential infrastructure services to government and blue chip customers across the full asset lifecycle, from advisory through projects to long-term operations and maintenance
- Strategic positioning within sectors benefiting from structural growth drivers, including the energy transition, defence modernisation and essential infrastructure renewal
- Robust operating disciplines built on standardised processes, repeatable delivery frameworks, prudent risk management and ongoing cost optimisation for consistent performance
- Capital efficient business model generating strong cash conversion and enabling disciplined capital allocation to organic growth, selective M&A and shareholder returns.

Downer's Purpose, Promise and Pillars

Our Purpose is: Enabling communities to thrive – Te whakaahei hapori momoho.

Our Promise is: Our customers' success is our success.

Our Pillars represent the foundations of how we think, plan and solve problems together:

- **Safety and sustainability** – We aim to leave a positive legacy for future generations, and we are committed to Zero Harm for our people, communities and the environment
- **Delivery** – We build trust by delivering on our promises with excellence while focusing on safety, value for money and efficiency
- **Relationships** – We collaborate to build and sustain enduring relationships with our customers, our people and our communities, based on trust and integrity
- **Thought leadership** – We remain at the forefront of our industry by employing the best people, continually innovating and having the courage to challenge the status quo.

Transition to sustainable growth

Downer's transformation journey commencing in 2023, encompassing portfolio simplification, risk management embedment, cost reduction, and improved operational disciplines, has delivered cumulative benefits and established strong foundations. The Group's strategic focus is now squarely on supporting sustainable growth. We are pursuing a clear pathway to deliver our FY28 and FY30 management ambitions: 4-5% revenue CAGR from FY26, EBITA margin towards 6% by FY30, and 9%[1] underlying EPS CAGR from FY25 to FY28.[2]

Value creation is being pursued through multiple strategic levers operating in combination: securing new work in attractive high-growth sectors, improving margins across existing contracts, extracting further operational efficiencies, and deploying capital to organic and inorganic opportunities that meet disciplined return hurdles.

Our growth strategy is aligned with favourable structural trends, creating multi-year investment cycles in our core markets:

- Energy transition and data centres – Accelerating investment in electricity transmission and distribution, renewable integration, grid stabilisation, network modernisation and data centre infrastructure across Australia and New Zealand
- Defence spending – Sustained growth in defence expenditure driving demand for estate services, critical infrastructure, and secure sovereign supply chains
- Population growth – Population growth, urbanisation, and demographic change driving sustained demand across transport, water, health, education, housing, digital infrastructure, and government services
- Local industry revitalisation – Renewed investment in domestic manufacturing, critical infrastructure, and resilient local supply chains, strengthening sovereign capability and economic resilience.

Our 22,800 trans-Tasman workforce thrives within an inclusive, purpose-driven culture focused on achievement and customer centricity. The Downer Difference program, now embedded across the business, continues to drive our commitment to a high performance culture through three core themes:

- We own the outcomes – We collectively strive for high standards, embedding excellence into our daily operations
- We do it for our customers – We look at things from a customer's perspective and use our market awareness to shape our business for continually enhanced services
- We stand for each other – We foster a safe workplace environment and treat each team member with respect and courtesy, recognising and celebrating our differences.

Strategic priorities to deliver sustainable growth

Our strategy to achieve our FY28 and FY30 management ambition is supported by focused priorities that support sustainable growth across safety, sustainability, organisational culture, operational excellence, customer relationships and capital allocation.

[1] Management ambition:, The LTI rewards a range of 4-9% EPS CAGR

[2] The 4-5% revenue CAGR from FY26, EBITA margin towards 6% by FY30, and 9% underlying EPS CAGR from FY25 to FY28 is incorporated into Downer's long-term incentive plan and is not provided as guidance. Any forward looking statements are to be read in conjunction with the important notice and disclaimer.

Strategic focus area	
Safety – maintain focus on Zero Harm	Zero Harm is fundamental to Downer. As we transition to sustainable growth, maintaining and enhancing our safety culture, systems and performance is our highest priority. Strong safety performance is essential to maintaining customer trust, employee engagement and community licence to operate. The Group's commitment extends beyond regulatory compliance to embedding a culture in which every employee takes personal ownership for their own safety and actively supports the safety of their colleagues. The Downer Standard – the Group's Integrated Management System – provides a consistent framework for the identification, assessment and management of health, safety and environmental risks across all operations. The maintenance of third-party certifications to ISO 45001 (Safety), ISO 9001 (Quality) and ISO 14001 (Environment) across the Group provides independent assurance to customers and demonstrates Downer's commitment to internationally recognised management system standards. FY26 priorities have included a continued focus on strengthening critical risk controls and verification, enhancing mental health and wellbeing programs, and further building safety leadership capability for frontline supervisors and leaders. Improving safety outcomes remains an ongoing priority for Downer, with safety performance embedded in performance management, remuneration frameworks and leadership evaluation to reinforce accountability at all levels.
Sustainability – Supporting decarbonisation and the energy transition	Sustainability represents both a significant growth opportunity and an operational imperative for Downer. The energy transition is driving one of the largest infrastructure investment programs in the history of Australia and New Zealand. Downer's established capabilities, strong track record and customer relationships position the Group as a key delivery partner as governments and utility asset owners decarbonise energy systems and develop climate-resilient infrastructure. Our sustainability strategy operates across two complementary dimensions – actively decarbonising Downer's own operations while simultaneously supporting customers in the delivery of energy transition infrastructure. This integrated approach leverages our technical capabilities and commitment, while positioning to participate materially in a sustained period of critical infrastructure investment. Downer's near-term Scope 1 and 2 GHG emissions commitments are aligned with a 1.5°C pathway and support the transition to net zero emissions by 2050. Downer's emissions reduction targets are: ▪ 50% reduction in Scope 1 and 2 emissions by 2032 (against 2020 baseline) ▪ Net zero Scope 1 and 2 emissions by 2050 (against 2020 baseline) Performance during FY26 demonstrates continued progress against the Group's decarbonisation commitments. Our decarbonisation levers include the transition of fleet to electric and alternative fuel vehicles, energy efficiency improvements, renewable energy adoption both on- and off-grid, fuel switching away from diesel and petrol, and the incorporation of low-emissions materials into our products and services. Downer aims to reduce Scope 1 and 2 emissions by 90% from a 2020 baseline, with the remaining 10% offset by certified carbon removal credits, likely Australian Carbon Credit Units (ACCUs) or equivalents, which decarbonisation pathway modelling indicates may be purchased in the 2040s. The 2026 Sustainability Report outlines further details about Downer's response to climate-related risks and opportunities, and our strategy to participate in the substantial growth opportunities emerging from the energy transition.

Strategic focus area	
Leadership, culture, talent development elevating performance and engagement	Organisational culture is a critical enabler of the Group's strategic objectives and transition to sustainable growth. Central to Downer's progress has been the continued development of a high-performance culture through The Downer Difference program and its three core themes: We own the outcomes, We do it for our customers and We stand for each other. Our three-year Enterprise People Strategy, launched in FY25, continues to enable our people to thrive by aligning workforce capability with business growth needs. The strategy focuses on attracting, developing, recognising, and engaging our people through practical, enterprise-wide initiatives that support both individual career growth and organisational performance. Through FY26, we made significant progress on key initiatives including: ▪ Full rollout of our enhanced onboarding framework, delivering improved first-year talent retention and faster time-to-productivity for new employees ▪ Embedding of our refreshed performance management framework, with enhanced manager capabilities in coaching and feedback aligned to business objectives ▪ Design and phased implementation of enterprise-wide strategic workforce planning, aligning critical skills, succession pipelines and workforce mix to Downer's medium-term growth and delivery requirements ▪ Continued investment in leadership capability development and delivery excellence assessments to support our growth ambitions ▪ Development of a new Employee Value Proposition (EVP) aligned with our Purpose and culture, positioning Downer as an employer of choice in critical skill areas. As the program progresses, workforce priorities include continued employee engagement initiatives, further developing critical capabilities aligned to the Group's growth strategy, and implementing appropriate workforce planning, capability development and succession frameworks to support delivery of customer commitments and the capture of identified market opportunities.
Delivery excellence – consistent project performance	Consistent, high-quality delivery performance and continuous operational improvement are essential to meeting evolving customer requirements and achieving the Group's performance outcomes. Downer is committed to providing reliable, technology-enabled, and cost-effective asset management, project, and service solutions to customers. Through FY26, we continued to reinforce foundational contracting disciplines, improve decision-making, embed structured business practices, and implement essential project controls. This approach allows us to effectively identify, manage, and optimise risks and opportunities throughout the project delivery lifecycle. Key initiatives progressed through FY26 include: ▪ Investment in advanced work and project management technologies to enhance project controls, productivity, and efficiency, building competitive advantage across operations, ▪ Continued focus on delivery capabilities, including contract understanding, delivery governance, risk controls, safety outcomes, commercial management and client satisfaction, ▪ Ongoing adherence to, and embedment of, Downer's 5C contract risk framework (Capacity, Capability, Counterparty, Contract model, Compensation) across bids and active projects, for consistent application of risk appetite, commercial standards and decision-making disciplines, ▪ Further improvement in business process effectiveness, systems and efficiency to support frontline delivery teams, ▪ Enhancement of our enterprise-wide source-to-contract procurement platform. Looking ahead, our delivery excellence program continues to focus on strengthening workforce capability, modernising technology platforms, embedding margin improvement disciplines, and ensuring Day 1 project readiness through enhanced mobilisation processes.

Strategic focus area	
Delivery excellence – enhancing customer centricity for improved relationships	Downer's sustainable growth strategy is underpinned by customer centricity, deep alignment to long-term customer needs, and market shaping through industry partnerships and thought leadership. By listening to customer feedback and understanding market expectations, we strengthen our ability to align strategy, delivery, and relationships for sustainable growth. The Downer Difference focus on 'we do it for our customers' brings customer voice to the forefront, connecting sustainable business growth with a deep understanding of evolving customer needs. Our competitive advantage comes from capabilities that span our customers' asset lifecycles, from advisory and design through construction, maintenance and asset management. FY26 has brought a sharpened focus on pipeline visibility, account management excellence, customer retention and long-term revenue planning competencies. Our growth targets align with our view of addressable markets and our orientation to sector tailwinds. Key initiatives in progress include: ■ Embedding of Voice of the Customer frameworks across operational businesses, with systematic collection and analysis of customer feedback on experiences, needs, expectations and preferences, and Net Promoter Score (NPS) measurement, ■ Large account management planning frameworks focused on data gathering and analysis, customer retention, identification of growth opportunities, stakeholder mapping, relationship assessment and long-term collaborative planning to build deeper partnership trust, ■ Strategic pursuit of larger, long-term contracts that leverage our full technical services capability set, align to sector tailwinds and provide a platform for sustained growth across Transport, Energy & Utilities and Facilities segments.
Capital allocation – supporting disciplined growth	Downer is focused on disciplined capital allocation to support sustainable growth. Our capital allocation framework balances organic investment, selective M&A, portfolio optimisation and shareholder returns, with all decisions evaluated through structured investment processes aligned to strategy and capital return hurdles. Our capital allocation tranches are: ■ Organic: Aligned with core opportunity pipelines and market outlook, targeting enhanced efficiency, capacity and productivity through investments in critical assets, modernisation, streamlined processes and technology infrastructure. ■ M&A and capital recycling: Focused on enhancing core businesses and adjacencies that build capabilities across growth vectors, including energy transition and data centres, defence, water infrastructure and integrated facilities management, that enhance competitive positioning and complement organic growth. Our balanced approach to capital allocation, investing for growth while returning capital to shareholders, positions Downer to achieve our medium-term ambitions while maintaining financial flexibility and a strong investment-grade credit rating.

Strategic focus area	
Supporting frameworks – investing in critical capabilities to enable our business to thrive	Downer has delivered substantial project margin improvements, operating cost savings and strengthened our operating platform to support sustainable growth. We continue to invest strategically in support systems, capability and technology to enhance efficiency, standardisation, and project delivery support, while positioning the business to capture growth opportunities aligned to our medium-term ambitions. Our Enterprise Project Management Office (EPMO), established in 2024, continues to provide enhanced visibility, governance, and risk mitigation of strategic programs across three activity streams: ▪ Licence to Operate: Programs ensuring Downer's ability to service customers, covering safety, climate change and decarbonisation, cybersecurity, and procurement excellence ▪ Capability: Downer's People Strategy addressing critical people risks, improving employee experience to support growth, and enabling organisational performance through targeted support system upgrades ▪ Performance: Programs improving operational efficiencies, cost-to-serve metrics, and business performance management transparency Strategic initiatives progressed through FY26 include: ▪ Ongoing investment in advanced work management and project management technologies to drive delivery excellence and competitive advantage ▪ Enhancement of contract cost reporting, project controls and real-time performance visibility to support proactive and disciplined management ▪ Deployment of generative AI tools and capabilities to enhance productivity, support decision-making through improved data insights, streamlined documentation and reporting, and improve the speed and quality of responses to customer and operational queries ▪ Continued efficiencies in corporate support functions, including IT modernisation, Shared Services optimisation and strategic procurement. ▪ Technology stack simplification and business process redesign, including standardised data management, refined operating models and intelligent automation for reduced complexity and faster delivery ▪ Cyber security uplift, data centre optimisation, network integration simplification and enhanced IT service delivery capabilities. These investments are foundational enablers of our sustainable growth ambitions, providing the scalable infrastructure, systems, and processes needed to support efficient operations.

Refer to 'Our approach to risk management' for further details on risks associated with the pursuit of Downer's strategic objectives and future opportunities.

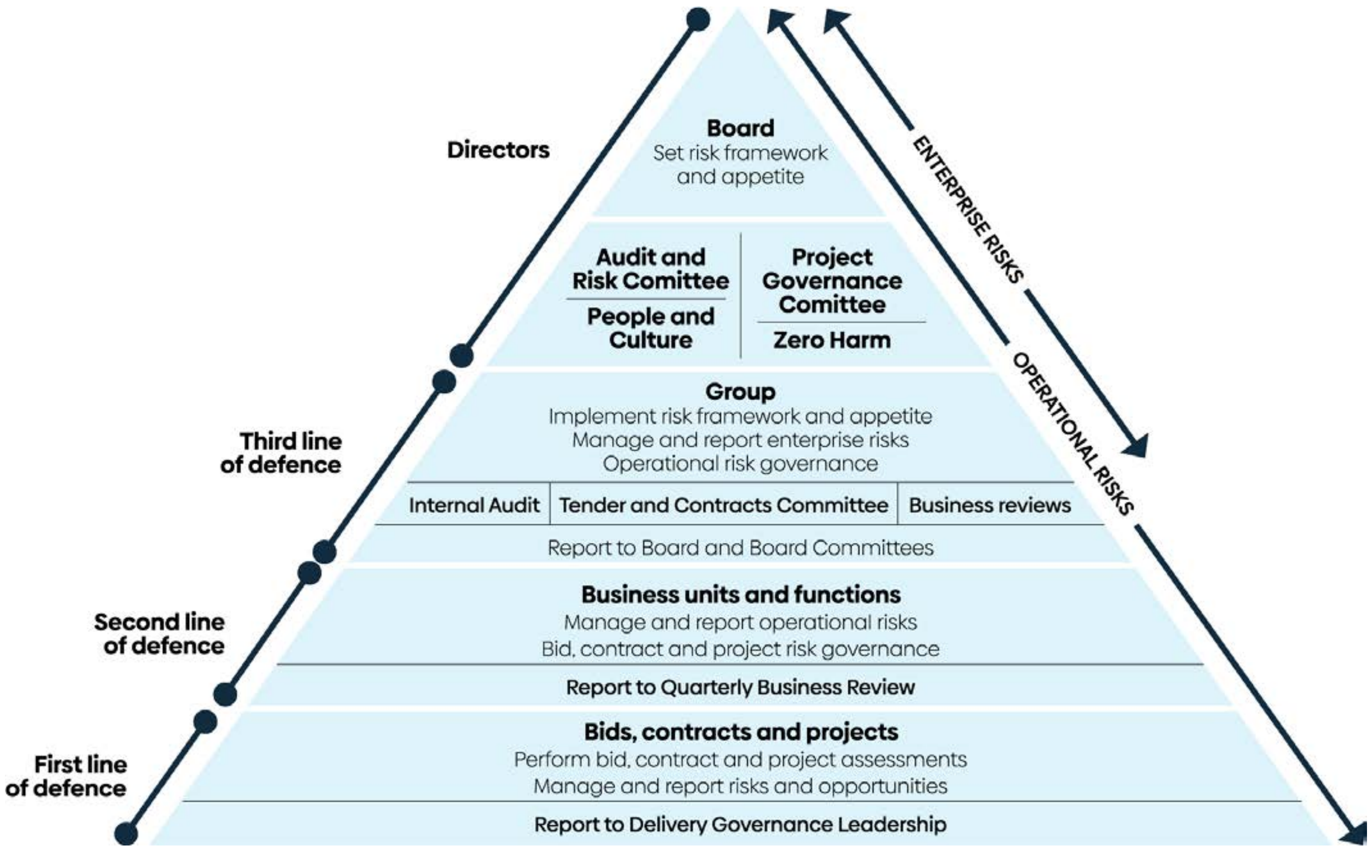
Our approach to risk management

Downer maintained a strong focus on risk management in FY26, continuing to embed established frameworks, governance arrangements and risk management practices across the Group. The Board Risk Appetite Standard and Enterprise Risk Management Framework remain key elements of Downer's approach, supporting consistent risk-based decision-making and effective oversight of strategic and operational risks.

In FY26, Downer completed a review of its project and commercial risk guardrails so that risk settings remained aligned to current market conditions and the Group's strategic objectives. The review considered areas including margin floor sensitivities, client and market focus, commercial risk allocation, margin improvement initiatives and the refinement of service offerings. These reviews are now part of Downer's ongoing risk management approach so that a disciplined risk appetite is maintained.

The Board Project Governance Committee continues to oversee opportunities and contracts, assessing alignment with strategy, capability and delivery capacity within approved risk parameters. Quarterly business reviews, project monitoring and governance processes provide transparency and support informed decision-making and timely intervention where required

Downer manages risk across all levels of its organisational risk hierarchy, with clearly defined accountabilities across the three lines of defence model. Risk management remains integrated into business planning, project delivery and operational decision making, reinforcing Downer's commitment to sound governance, operational resilience and sustainable value creation.



At the Group level, we actively manage a range of risks which could have a material impact on our ability to achieve strategic objectives. We apply a risk management framework to identify, assess and manage these risks.

Downer's risk mitigation and management strategies relating to material enterprise risks, including general business, operational and macroeconomic risks, are outlined as follows.

Overview of risk and potential impact	Risk mitigation and management strategies
Key contracts, competition and customer retention	
There is a risk that material contracts may be cancelled, not renewed or renewed on less favourable terms. Operating in highly competitive markets, increased competition and market changes can impact our ability to renew or secure new contracts. Such events could lead to reduced work-in-hand, profitability, and earnings. Additionally, some of our contracts have fixed or capped pricing, exposing us to potential losses due to cost escalations that cannot be recovered from customers.	■ We prioritise maintaining strong relationships with customers across a range of different markets and sectors. ■ We focus on delivering successful outcomes for our customers, strategic partnerships, and joint ventures with high-quality services, leading technology, thought leadership, and industry expertise. ■ Our Customer Relationship Management (CRM) system helps us effectively manage our diverse customer base and opportunity pipeline. ■ We apply rigorous bid governance processes for tendering projects within our risk appetite. We maintain a strong emphasis on cost control, supply chain management and project oversight. ■ Our Tender and Contracts Committee and Board Project Governance Committee provide oversight for bid and project governance, contract and tender evaluation and the Quarterly Business Review process oversees the performance of projects and contracts. ■ We continue to focus on risk management including implementation of risk guardrails and operational excellence with strategies in place aimed at improving performance, delivering tendered and budget margins, and reducing variability.
Organisational culture	
Failure to create and maintain a culture which supports our core behaviours, ethics, principles, and values can impact our ability to execute our strategy and maintain our social licence to operate.	■ Our Purpose, Promise and Pillars align with our people, our customers, and the communities we operate in. ■ Our aspirational high performance culture The Downer Difference was launched 1 July 2024 and key programs, such as the CEO Awards and Family Scholarships, have supported the embedment of the new culture. ■ Our People Strategy, a program of initiatives to support high performance and improve employee experience, has put strong focus on improving organisational culture.
Brand and reputation	
Our reputation is crucial to winning and retaining work, attracting and retaining employees, accessing capital markets and maintaining our social licence to operate. Building and maintaining trust among stakeholders is vital for our business. A failure to uphold this trust could result in negative media attention, damaging our reputation and impacting stakeholder support. Reputational damage could also jeopardise contract renewals and our ability to participate in new tenders.	■ Our Standards of Business Conduct applies to all officers and employees, and we support our commitment with training, reporting processes and consequence management. ■ We regularly engage and correspond with our customers to communicate our commitment to high standards of ethical conduct. ■ We continue to strengthen our culture and organisational compliance to protect our reputation and strengthen our position in the marketplace. ■ We communicate regularly with all our people across Downer to foster a culture that supports the delivery of our common Purpose and Promise.

Overview of risk and potential impact	Risk mitigation and management strategies
Delivery management performance and bid governance	
Inadequate project performance can affect portfolio returns and erode value. Given the industries we operate in and the scale of some of our contracts, there is a risk of significant losses if bid governance processes and project delivery disciplines are not effectively applied.	■ Our integrated management system, The Downer Standard (TDS), is a policy and process framework that creates governance, and consistency in how we operate and deliver. ■ Our delivery lifecycle framework is integrated with our business performance management frameworks. ■ We continue to invest in organisational capability uplift programs and undertake quarterly business reviews to focus on driving delivery performance, reviewing key projects and managing operational risks. ■ We maintain project risk management processes and systems across our business, as well as specific bid governance processes relating to tenders to evaluate strategic rationale, cost, time and risk. ■ Our risk framework and its guiding principles – capacity, capability, counterparty, contract, compensation – prioritises the projects we pursue, selectively focusing on those that offer improved margins and align with customers who value our technical capability. ■ Key governance forums – the Tender and Contracts Committee, the Board Project Governance Committee – provide oversight for bid and project governance, contract and tender evaluation, and monitoring, so we have the capability to deliver outcomes effectively while managing appropriate levels of risk.
Key suppliers, subcontractors and partners	
Reliance on a limited number of specialist suppliers or subcontractors can affect project outcomes particularly if performance issues arise. Where suppliers or subcontractors fail to meet contractual obligations or choose not to renew contracts, our ability to complete projects and secure new work could be compromised. We maintain long-term relationships with certain suppliers and partners critical to our business activities, and any changes in these relationships could negatively impact our financial performance. Additionally, conflicts of interest, fraud or corruption within our suppliers, subcontractors or partners could have adverse effects on our operations, reputation and performance.	■ We work with key suppliers to assess and manage supply chain resilience. ■ Our standardised Procurement Framework is closely aligned to the principles of ISO 20400 – Sustainable Procurement and is supported by established tools and platforms. This framework assists in the engagement of suppliers and subcontractors while supporting alignment to our sustainability objectives. ■ We maintain due diligence, prequalification and onboarding processes with our Felix system to assess supplier capability, financial viability, safety performance, ethical conduct and compliance with relevant policies and standards. Our procurement, contract management and assurance processes help identify and manage potential conflicts of interest, fraud and corruption risks across the supply chain and are supported by ongoing monitoring and review activities.

Overview of risk and potential impact	Risk mitigation and management strategies
Macroeconomic and geopolitical conditions including government expenditure	
Changes in macroeconomic conditions through deterioration in the economy may impact the industries in which we operate and could have a material negative impact on our operational and financial performance. We must remain agile and responsive to global and local events, including changes in government policy, trade tensions, geopolitical conditions and rising economic uncertainty and volatility. Public authorities and Government departments in Australia and New Zealand are major customers of Downer. Changes in prioritisation of, or restrictions on, government expenditure may impact our earnings.	■ Our Board and Executive Management consider external economic conditions and geopolitical risks when developing strategy and plans to build resilience and responsiveness in the business should events occur. ■ We seek insights from external subject matter experts, our customers, and key stakeholders to inform decision making. ■ We maintain a diversified portfolio of secured work with long-term contracts, which underpins earnings from these projects. ■ We operate in diversified markets and with government centric customers to mitigate the impact of budgetary and expenditure reductions or changes in key customer spending profiles. ■ We deliver essential maintenance services to critical infrastructure assets. The essential nature of these services helps mitigate both the impact of changing government spending priorities and the duration of any decline in spending.
Financial markets and treasury	

We are subject to various forms of financial market risk including liquidity, interest rate and foreign exchange risk.
 	
Capital market volatility may impact our ability to transact and access suitable capital on acceptable terms due to factors outside of our control including perceptions of our credit rating, our carbon intensity, the global supply of credit and the level of credit defaults.
 	
Therefore, we may not be able to undertake ordinary business operations, potential acquisitions, growth opportunities, or develop new business or respond to competitive pressures.
 	
Rising interest rates may adversely impact our interest payments on our floating rate borrowings. Disruptions in financial markets may affect the availability and cost of hedging, which may have a material adverse impact on our financial performance and position.
 	
We operate internationally and are exposed to foreign exchange rate risks associated with foreign currency denominated debt, input costs and offshore earnings.
	■ We have a Treasury Risk Management Standard which defines the management of the Group's financial assets and liabilities, and financial market risks giving consideration to the impact on our reputation, financial counterparties, credit ratings, shareholders, customers and suppliers.
	■ Financial markets risk is governed by a Board-approved Treasury Policy, which sets strict parameters to manage liquidity, interest rate and foreign exchange risks by:
	  ■ Access to diverse funding sources on competitive terms and tenors
	  ■ Stipulating minimum and maximum hedging requirements for floating rate borrowings and foreign exchange exposures that reduces exposure to interest rate volatility and exchange rate fluctuations
	  ■ Selecting interest rate hedge counterparties based on credit strength and market capability to allow continued access to efficient hedging sources
	  ■ Establishing committed term funding from investment grade rated banks that is spread over a variety of tenors to minimise refinancing risk
	  ■ Aiming to retain an investment grade credit rating
	  ■ Maintaining a liquidity buffer and financial covenant compliance.
	■ We engage with existing and potential equity and debt investors to regularly update them about the business.

Overview of risk and potential impact	Risk mitigation and management strategies
Cost escalation	
As an integrated service provider, we are exposed to cost escalation and inflationary pressures which may be above budgeted levels across elements of our cost base. If we are unable to offset these cost pressures through contractual inflation recovery mechanisms or planned cost out, this could adversely impact our profitability and financial performance.	■ Escalation clauses, where included in customer contracts, provide a degree of protection against increasing costs of service delivery through indexation (e.g. CPI, WPI) or other cost escalation mechanisms. ■ Alliance, commercial models with pain/gain share clauses are another form of contract model, which we include where possible in customer contracts to offset the risk of cost escalation above budgeted amounts. ■ We perform commercial management reviews of our contracts for appropriateness given prevailing market conditions, including inflation pressures, supply shortages and other potentially disruptive events which may increase costs. ■ In instances where we do fixed price work, we often engage in early contractor involvement (ECI) contracting models which enables the contractor to become involved before design is completed and enables enhanced transparency over pricing subcontractor and trades for cost estimates with the aim of reducing risk. ■ We employ disciplined cost management of both project and overhead costs.
Talent, labour and employee relations	
Attracting and retaining talent, workforce engagement, upskilling and growing capability is critical to achieve our strategic objectives. Our growth and profitability may be impacted by the loss of key management, the inability to attract suitably qualified personnel, a decline in labour productivity or by increases in costs associated with recruiting and retaining personnel. In certain functions and operations, we rely on the availability of skilled personnel to deliver our services, making access to labour a potential risk. The majority of Downer's workforce is covered by a variety of industrial instruments; collective agreements in New Zealand and enterprise agreements and modern awards in Australia. Consequently, we may be exposed to the risk of industrial action which can adversely impact operations and customer experience of our services.	■ We are committed to fostering a workplace environment that prioritises inclusion and belonging, supports the health and wellbeing of our people, and provides opportunities for their professional growth and development. ■ Downer launched Core People Processes and a new IT system, HRCore, which is directed at the consistent application of best practice people processes. ■ In July 2024, Downer launched its target high-performance culture The Downer Difference, with initiatives aimed at improving employee experience, attraction and retention. Aligned with this is our Inclusion & Belonging Strategy with initiatives such as Own Respect (workplace behaviours), Thrive (leadership development), and various Indigenous and inclusion initiatives. ■ Talent attraction and retention strategies include career progression pathways, remuneration and other incentives, investment in learning and internal development opportunities including apprenticeships. ■ Downer mitigates the risk of industrial action by aiming to effectively engage and consult with our employees and employee representatives to negotiate collective and enterprise agreements, address issues and grievances promptly and comply with workplace laws. ■ Further details relating to the management of talent, labour availability and employee retention risks, and related performance, are outlined in our 2026 ESG Impact Report.

Overview of risk and potential impact	Risk mitigation and management strategies
Employment arrangements	
The majority of Downer's workforce is covered by industrial instruments; collective agreements in New Zealand and enterprise agreements and modern awards in Australia. These industrial instruments are complex and require interpretation to accurately determine payments and accrual of employee benefits. The application of industrial instruments is subject to change as a consequence of developments in legislation and case law and the requirement to renegotiate and renew them periodically. The complexity and volume of industrial instruments that apply to Downer could result in issues leading to reputational damage, disruption to operations and an increase in direct and indirect labour costs. All of which may have a negative impact on our financial performance.	■ We have an Employment Compliance function in our Business Service Centre that focuses on providing assurance across processes and controls supporting employee payments. ■ A dedicated Industrial Relations function, comprised of industrial relations specialists and employment lawyers, provides interpretation, advice, and active management of changes to workplace landscape and specific industrial relations risk. ■ Downer conducts ongoing reviews of its Workforce Management processes with a commitment to continuously improving the end-to-end activities associated with employee time capture and payments.
Climate-related risks	
Climate change poses both physical and transition risks to our business, customers, and communities. Physical risks include acute events such as cyclones, floods, droughts, and bushfires, as well as chronic impacts from long-term shifts in temperature, rainfall, and sea levels. Transition risks arise from the global move to a low-carbon economy, including changes in policy and regulation, technology, markets, and stakeholder expectations, which may affect costs and revenues. At the same time, the transition creates opportunities to deliver climate adaptation and mitigation strategies and expand low-emissions products and services.	■ Downer's decarbonisation pathway is expected to enhance resilience to both physical and transition risks through fleet transition initiatives, renewable energy procurement and asphalt plant upgrades. ■ Downer's diverse revenue streams in the sectors we serve helps to mitigate exposure to transition risk stemming from market responses. ■ Downer's mitigation strategies for physical risks include insurance, health and safety controls, business continuity planning and operational weather management. ■ Downer continues to assess contractual arrangements and commercial terms with respect to physical impacts of climate change (acute and chronic weather events) that seek appropriate mitigation measures are in place, including force majeure clauses and cost pass through mechanisms. ■ For further details regarding Downer's assessment of climate-related risks, refer to Downer's Sustainability Report, issued in compliance with AASB S2 and the *Corporations Act 2001* (Cth), on pages 55-84.

Overview of risk and potential impact	Risk mitigation and management strategies
Environmental management	
Given the scale and diversity of Downer's operations, Downer is exposed to a broad range of environmental risks across multiple jurisdictions and project types. These risks can significantly affect compliance, operations, reputation, and financial performance. Key exposures include regulatory breaches, and the growing expectation from clients and stakeholders to demonstrate strong environmental performance. Environmental incidents or underperformance can also harm Downer's reputation, reduce stakeholder trust, and result in financial liabilities such as fines, remediation costs, or higher insurance premiums. Proactively managing these risks is essential to maintaining Downer's licence to operate and securing long-term value. It also presents opportunities to innovate, align with customer expectations, and strengthen the Company's position as a trusted, sustainable service provider in a rapidly evolving market. Downer is committed to managing the impacts of its activities on the natural and built environment. The Company strives to help its customers succeed by developing and delivering environmentally responsible and sustainable solutions, enabling resilient and thriving communities.	■ Downer's environmental management system, accredited to AS/NZ ISO14001:2015, is part of The Downer Standard, a Group-wide integrated management system. This standard enables a consistent approach to identifying and controlling environmental risks and managing environmental performance. The system undergoes internal and external audits by independent third parties to provide oversight and assurance. ■ Downer's 10 Environmental Principles provide guidance to employees and stakeholders, promoting awareness of environmental commitments, and aiming for compliance with The Downer Standard and environmental laws. Effective management of environmental risks is integral to Downer's service delivery, with a focus on implementing effective controls through its critical risk program and a commitment to continuous improvement. The Company leverages lessons learned to protect and sustain the natural environment. ■ Qualified environment and sustainability professionals are in each Business Unit to provide support. Business Units have planned initiatives and actions that support compliance and performance enhancement, along with customised Climate Change and Decarbonisation Plans. These plans assign responsibilities for implementing actions and deliverables, with progress monitored regularly and reported throughout the year. This performance assessment is linked to the business unit's annual performance and the short-term incentive program.
Workplace health and safety	
Downer works in several sectors regarded as high risk. We are committed to providing an environment where our employees, contractors, customers, and the public are safe at all times. Our ability to meet our corporate and social responsibilities relies on our focus on promoting health, safety and wellbeing. We recognise that our activities carry risks that could result in serious injury or death. Workplace fatalities or significant injuries not only harm individuals but also negatively impact our operations, employees, and the communities we serve. Furthermore, failure to comply with applicable health and safety regulations could result in penalties and compensation obligations.	■ We are committed to the safety, health and wellbeing of our people and our communities through safe practices, identifying critical risks and controls and continuous improvement of our safety performance. ■ We continually assess, understand, and mitigate critical risks and high potential incidents applying directions and implementing guidance included in our Cardinal Rules. ■ We promote our commitment to health, safety and wellbeing across the organisation through The Downer Standard. ■ We maintain third-party certifications to internationally recognised standards. ■ Our Own Respect initiative is a holistic strategy to appropriately adopt recommendations made by the Australian Human Rights Commission Respect@Work Report. ■ We identify, assess, apply controls to and consult with our workforce on psychosocial risk in the workplace including bullying and harassment. We encourage employees to raise complaints and have those complaints dealt with appropriately and without reprisal. ■ Details relating to the management of health and safety risks and related performance are outlined in our 2026 ESG Impact Report.

Overview of risk and potential impact	Risk mitigation and management strategies
Cybersecurity, system continuity and reliance on information technology	
We rely on the efficient and uninterrupted operation of core technologies, IT infrastructure and systems, which may be vulnerable to system failures, computer viruses, cyberattacks, power outages and human error. Development of Artificial Intelligence (AI) may increase cyberattack frequency and effectiveness. AI may increase vulnerability due to reliance on AI systems and processes. Our dependence on third-party service and software providers adds to this risk. Any disruption could impact our ability to deliver services resulting in customer loss, revenue decline, reputational damage and a weakened competitive position. A cyberattack, inadvertent data breach or failure to protect confidential information could lead to data loss, legal breaches, system outages and affect our reputation and financial performance.	■ We have established Technology and Cyber Risk management practices and have a framework in place to mitigate and reduce the negative impact of information security and technology risks. The Audit and Risk Committee provides oversight of technology, data and cyber related risks. ■ We maintain an ISO 27001 certified Information Security Management System describing the standards, controls, and procedures relating to the confidentiality, integrity and availability of critical information assets. ■ Our digital strategy focuses on delivering technology solutions that support business performance. This includes a strategic roadmap for our digital future, incorporating automation, digitisation, standardisation and generative AI to improve efficiency and delivery. ■ We continue to invest in and maintain key controls in threat and vulnerability management including a Security Operations Centre with a focus on security incident response and planning, user awareness and simulation, management and mitigation of third-party risk, back-ups and resilience for key systems, and IT assurance regimes.
Guarantees, indemnity and liability	
At times we are required to provide guarantees and indemnities for the performance of counterparties, including controlled entities and related parties, regarding their contractual and financial obligations. There is a risk that we may fail to meet our obligations related to the quality of our products or services, potentially leading to claims for contractual damages or statutory penalties. Certain entities within Downer are subject to standard design liability for completed design and construction projects. This liability may include claims, disputes, and litigation against Downer and joint ventures in which we have an interest; as well as the obligation to rectify design defects at our own expense.	■ We have diversified bonding facilities for providing guarantees related to performance addressing underlying customer credit risk. ■ The Group also maintains insurance policies to cover potential liabilities. However, the availability of insurance on suitable terms and at a reasonable cost is not guaranteed and it is possible that certain events may not be fully covered or covered at all. ■ We take legal advice in respect of claims and include relevant provisions in our financial statements to fulfil our statutory and contractual obligations including quality assurances in the project delivery. We have standards, management reviews and verification processes to address this risk as set out in The Downer Standard.

Overview of risk and potential impact	Risk mitigation and management strategies
Regulatory compliance and licence to operate	
Our business is affected by Government Policy. Changes to industry-specific requirements, general legal and regulatory arrangements and taxation policy can have an adverse effect on our financial performance. Further, any major shift in regulatory policy or reform may impact the profitability of Downer and its customers. Non-compliance with legislative or regulatory requirements can impact our licence to operate.	▪ We have dedicated legal and compliance personnel who partner with the business to advise on and monitor legal, regulatory and public policy changes, in addition to legal issues and claims. ▪ We have compliance frameworks, operational compliance plans and assurance programs in place which support and monitor conformity with relevant regulatory requirements. ▪ Our whistleblower policy supports the reporting of breaches of our Standards of Business Conduct including any unethical, corrupt or illegal behaviour, misconduct, or any other improper situations or circumstances in relation to the company. We maintain both internal and external processes that allow for the reporting of breaches, including Our Voice, which is an external and independent service that allows employees to anonymously report such potential breaches. ▪ We encourage our employees, subcontractors and partners to voice their concerns if they identify potentially unethical practices. We do not tolerate victimisation of a whistleblower and are committed to providing support and protection against any reprisal for reporting a breach or potential breach. Any employee found to have victimised another will be subject to disciplinary action. ▪ We continue to maintain and enhance The Downer Standard and employee compliance training programs to enable our people to act with high ethical standards and comply with relevant obligations.
Transformation	
We continue to undergo an enterprise-wide transformation program to position us for long-term sustainable success. Failure to successfully manage, execute and deliver the initiatives identified in this transformation program could adversely impact our business operations, strategic objectives, profitability, shareholder returns, credit rating and market confidence.	▪ An Enterprise Project Management Office oversees and coordinates Group-wide transformation projects, to support initiatives that align with our ambitions and targets. ▪ Ownership and accountability for executing transformation initiatives sits with the respective Business Units and functional leaders which have dedicated teams to oversee the delivery of improvement projects. ▪ We are driving effectiveness by building transformation capabilities across the business, fostering Group-wide learning and promoting accountability for delivering change initiatives. ▪ An Investment Committee oversees and approves funding and related business cases for strategic initiatives. ▪ We work with external business transformation experts as required to implement our new operating model and other continuous improvement initiatives.
Exogenous events	
We operate in an ever-changing landscape and are not immune to unexpected and unpredictable events that have significant negative impacts on both our short-term and long-term goals and objectives. These unpredictable events include, but are not limited to, pandemics, extreme weather events, changes in climatic conditions, geo-political instability, supply chain disruption, and military conflicts.	▪ We have experience in responding to crises and unpredictable events. ▪ By reflecting on past experiences, we continually improve our crisis response and build resilience and agility into our business to manage future uncertainties. ▪ Through our risk management processes we aim to identify potential risks and vulnerabilities, allowing us to implement appropriate plans and mitigation strategies should such events occur.

Overview of risk and potential impact	Risk mitigation and management strategies
Artificial intelligence	
Failure to strategically deploy or invest in enterprise AI capabilities could erode Downer's competitive advantage. Clients are increasingly mandating advanced digital integration, an inability to demonstrate reliable, safe AI capabilities risks disqualification from opportunities. Over-reliance on AI vendors or shifting market AI platforms could expose the business to lock-in, unforeseen licensing cost escalations, or supply chain disruption. High-profile failures in public-facing, critical asset operations caused by algorithm errors could damage Downer's reputation as a trusted delivery partner.	▪ Executive leadership group to execute an enterprise-wide AI roadmap, aligning digital transformation directly with commercial strategy. ▪ Developing enterprise-grade AI capabilities across core business lines to enhance client value propositions and meet evolving tender requirements. ▪ Partnering with trusted, enterprise software vendors while maintaining open, modular architecture that avoids lock-in and mitigates supply chain vulnerability. ▪ We have policies and governance in place to guide the responsible, transparent and secure use of AI.
Middle East conflict	
Escalation of conflict and instability in the Middle East may result in disruptions to global energy, logistics and supply markets. These disruptions could increase project and materials costs, including direct fuel, transport, bitumen and subcontractor costs and indirect costs via inflation, affect the availability of materials and equipment, impact project delivery and financial performance where such impacts cannot be recovered through existing contractual arrangements or impact or delay customer demand for the Group's products and services.	▪ We actively monitor developments in the Middle East and assess the potential impacts on supply chains, energy costs and project delivery. ▪ We maintain engagement with customers, suppliers and subcontractors to identify and manage emerging risks and potential disruptions. ▪ Existing contracts contain pass-through mechanisms that have been effective in recovering cost increases arising from market disruption and volatility. ▪ Where possible we are incorporating conflict-related risk allocation and cost recovery provisions into new contracts. ▪ We undertake ongoing scenario analysis and contingency planning to support operational resilience and maintain delivery performance.

Outlook[1]

We enter FY27 having delivered another year of improved operational and financial performance.

For FY27, on an underlying basis, we are targeting:

- Revenue and earnings growth and EBITA margin improvement
- Larger than normal skew to 2H27, with 1H27 revenue, earnings and EBITA margin lower than the prior corresponding period, with a return to growth in 2H27.

This reflects:

- The anticipated timing and outcome of key contract awards in Power Projects and Social Housing
- Ramp up profile of secured work in Water, Defence and Integrated Facilities Management
- Improvement in AUS Road Services volumes
- QTMP transitioning from facility construction to rollingstock manufacturing, reducing Transport revenue.

Looking beyond FY27, we remain positive on the medium-term outlook and our FY30 management ambitions.

Our strong market positions and exposure to attractive sectors, including the energy transition, data centres, defence and transport infrastructure, provide a solid platform for sustainable growth.

Subsequent events

At the date of this report, there is no other matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the Group other than that referred to in the Financial Statements or notes thereto.

Employee Discount Share Plan (ESP)

An ESP was instituted in June 2005. In accordance with the provisions of the plan, as approved by shareholders at the 1998 Annual General Meeting, permanent full-time and part-time employees of Downer EDI Limited and its subsidiary companies who have completed six months service may be invited to participate.

No shares were issued under the ESP during the years ended 30 June 2026 or 30 June 2025.

There are no performance rights or performance options, in relation to unissued shares, that are outstanding in relation to the Employee Discount Share Plan.

[1] Forward looking statements are to be read in conjunction with the important notice and disclaimer in the FY26 Results Presentation, dated 20 August 2026.

Environmental management

Downer is committed to managing the impacts of its activities on the natural and built environment. The Company strives to help its customers succeed by developing and delivering environmentally responsible and sustainable solutions, enabling resilient and thriving communities. These commitments are outlined in Downer's Environmental Sustainability Policy, available on its website at **www.downergroup.com/policies**.

Downer's environmental management system, accredited to AS/NZ ISO14001:2015, is part of The Downer Standard, a Group-wide integrated management system. This standard enables a consistent approach to identifying and controlling environmental risks and managing environmental performance. The system undergoes internal and external audits by independent third parties to provide oversight and assurance.

Qualified environment and sustainability professionals are in each Business Unit to provide advice and support. Business Units have planned initiative and actions that support compliance and performance enhancement, along with customised Climate Change and Decarbonisation Plans. These plans assign responsibilities for implementing actions and deliverables, with progress monitored regularly and reported throughout the year.

Downer's 10 Environmental Principles provide guidance to employees and stakeholders, promoting awareness of environmental commitments, and aiming for compliance with The Downer Standard and environmental laws. Effective management of environmental risks is integral to Downer's service delivery, with a focus on implementing effective controls through its critical risk program and a commitment to continuous improvement. The Company leverages lessons learned to protect and sustain the natural environment.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of Board Committees) held during the 2026 financial year and the number of meetings attended by each Director (while they were a Director or Board Committee member). During the year, 10 Board meetings, seven Audit and Risk Committee meetings, five People and Culture Committee meetings, 12 Project Governance Committee meetings, six Zero Harm Committee meetings and three Nominations Committee meetings were held in addition to three ad hoc meetings attended by various Directors in relation to Zero Harm and various other matters.

	Board – Scheduled		Board – Unscheduled	
Director	Eligible[1]	Attended	Eligible[1]	Attended
Mark Menhinnitt (Chair)	9	9	1	1
Peter Tompkins	9	9	1	1
Peter Barker	9	9	1	1
Sheridan Broadbent	9	9	1	1
Annette Carey[2]	6	6	-	-
Kerry Gleeson[3 13]	8	7	1	1
Teresa Handicott[4]	3	3	1	1
Adelle Howse	9	9	1	1
Steven MacDonald	9	9	1	1

	Audit and Risk Committee – Scheduled		Audit and Risk Committee – Unscheduled	
Director	Eligible[1]	Attended	Eligible[1]	Attended
Peter Barker (Chair)	6	6	1	1
Kerry Gleeson[5 13]	5	4	-	-
Teresa Handicott[6]	2	2	1	1
Adelle Howse	6	6	1	1
Steven MacDonald	6	6	1	1

	People and Culture – Scheduled		People and Culture – Unscheduled	
Director	Eligible[1]	Attended	Eligible[1]	Attended
Adelle Howse (Chair)	4	4	1	1
Mark Menhinnitt	4	4	1	1
Peter Barker	4	4	1	1
Sheridan Broadbent	4	4	1	1
Annette Carey[7]	3	3	-	-

Director	Project Governance Committee – Scheduled		Project Governance Committee – Unscheduled	
	Eligible[1]	Attended	Eligible[1]	Attended
Steven MacDonald (Chair)	10	10	3	3
Mark Menhinnitt	10	10	3	3
Peter Tompkins[15]	10	9	3	3
Peter Barker	10	10	3	3
Sheridan Broadbent	10	10	3	3
Annette Carey[8 14]	7	6	3	3

Director	Zero Harm Committee Scheduled		Zero Harm Committee - Unscheduled	
	Eligible[1]	Attended	Eligible[1]	Attended
Sheridan Broadbent (Chair)	5	5	1	1
Mark Menhinnitt	5	5	1	1
Peter Tompkins	5	5	1	1
Kerry Gleeson[10 13]	4	3	-	-
Teresa Handicott[11 16]	2	2	1	-
Steven MacDonald	5	5	1	1

Director	Nominations Committee	
	Eligible[1]	Attended
Mark Menhinnitt (Chair)	3	3
Peter Barker	3	3
Sheridan Broadbent	3	3
Annette Carey[12]	1	1
Kerry Gleeson[9]	2	2
Teresa Handicott[11]	2	2
Adelle Howse	3	3
Steven MacDonald	3	3

1. These columns indicate the number of meetings eligible during the period each person listed was a Director or member of the relevant Board Committee.
2. Ms Carey joined the Board on 1 November 2025.
3. Ms Gleeson joined the Board on 1 September 2025.
4. Ms Handicott retired on 11 November 2025.
5. Ms Gleeson became a member of the Audit and Risk Committee on 22 September 2025.
6. Ms Handicott ceased as the member of the Audit and Risk Committee on 11 November 2025.
7. Ms Carey became a member of the People and Culture Committee on 1 November 2025.
8. Ms Carey became a member of the Project Governance Committee from 1 November 2025.
9. Ms Gleeson became a member of the Nominations Committee on 1 September 2025.
10. Ms Gleeson became a member of the Zero Harm Committee from 22 September 2025.
11. Ms Handicott ceased as the member of the Zero Harm Committee and Nominations Committee on 11 November 2025.
12. Ms Carey became a member of the Nominations Committee on 1 November 2025.
13. Ms Gleeson was an apology for one Board meeting, one Audit and Risk Committee meeting and one Zero Harm Committee meeting due to the serious illness of a close family member.
14. Ms Carey was an apology for one Project Governance Committee meeting due to the serious illness of a close family member.
15. Mr Tompkins was an apology for one Project Governance Committee meeting due to an urgent business matter.
16. Ms Handicott was an apology for one unscheduled Zero Harm committee meeting while on leave of absence.

Indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary, all officers of the Company and of any related body corporate against a liability incurred as a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001* (Cth).

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Downer's Constitution includes indemnities, to the extent permitted by law, for each Director and Company Secretary of Downer and its subsidiaries against liability incurred in the performance of their roles as officers. The Directors and the Company Secretaries listed on pages 18 to 21, individuals who act as a Director or Company Secretary of Downer's subsidiaries and certain individuals who formerly held any of these roles also have the benefit of the indemnity in the Constitution.

The Company has not otherwise, during or since the financial year, 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.

Corporate Governance

The Board endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles). The Group's corporate governance statement is set out at pages 222 to 240 of this Annual Report.

Non-audit services

Downer is committed to audit independence. The Audit and Risk Committee reviews the independence of the external auditors on an annual basis. This process includes confirmation from the auditors that, in their professional judgement, they are independent of the Group. So that there is no potential conflict of interest in work undertaken by Downer's external auditors, they may only provide services that are consistent with the role of the Company's auditor.

The Board has considered the position of audit independence and, in accordance with the advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

The Directors are of the opinion that the services as disclosed below do not compromise the external auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved so that they do not impact the integrity and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's *Code of Conduct APES 110 Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

A copy of the auditor's independence declaration is set out on page 130 of this Annual Report.

During the year, details of the fees paid or payable for non-audit services provided by the auditors of the parent entity, its related practices and related audit firms were as follows:

Non-audit services	2026 $	2025 $
Tax services	47,795	153,988
Other services and agreed upon procedures	95,377	99,670
	143,172	**253,658**

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' reports) instrument 2026/183, relating to the 'rounding off' of amounts in the Directors' Report and consolidated financial statements. Unless otherwise stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars.

Downer's Energy & Industrial team delivers specialist shutdown and outages to power stations that are critical to the National Electricity Market, such as AGL's Bayswater Power Plant in the Hunter Region of NSW.

Sustainability Report

Downer's Facilities team maintains a number of hospitals across Australia, including Bendigo Hospital in Victoria.

Basis of preparation

This Sustainability Report includes the climate-related disclosure for Downer EDI Limited (the Company or the Group), aligned with the consolidated financial statements, for the period ended 30 June 2026. This Sustainability Report has been prepared in accordance with AASB S2 *Climate-related Disclosures*, which is the mandatory Australian Sustainability Reporting Standard (ASRS) that was issued by the Australian Accounting Standards Board (AASB), and with the *Corporations Act 2001* (Cth). The report is presented in $AUD.

In preparing this Sustainability Report, Downer has sought to use data, assumptions and methodologies that are consistent, where applicable, with those used in the preparation of the Group's financial statements. However, for certain disclosures, the organisational boundary and methodologies applied for climate reporting differ from those used for financial reporting. In particular, greenhouse gas emissions are measured using the Operational Control approach under the NGER Act, whereas the financial statements are prepared using Australian Accounting Standards consolidation requirements. As a result, the climate reporting boundary may include activities or assets over which Downer has operational control but which are not included within the consolidated financial reporting group, and may exclude activities within the consolidated financial reporting group where Downer does not have operational control. Downer does not consider these differences to have a material impact on the conclusions of the Sustainability Report unless otherwise disclosed. Climate-related financial impacts disclosed in this report are based on the assumptions and methodologies applied in the climate-related assessment and may differ from assumptions used in determining the carrying values of assets and liabilities in the financial statements due to differences in purpose, time horizons and the inherent uncertainty associated with climate scenario analysis.

Downer has adopted the transitional relief provided under AASB S2 paragraph C4(b) which permits the organisation to not disclose Scope 3 greenhouse gas emissions in its first annual reporting period applying AASB S2. Downer has also adopted the transitional relief provided under AASB S2 paragraph C3 which provides an exemption from disclosing information for any period before the date of initial application, including comparative information. Further, Downer has adopted transitional relief under AASB S2 paragraph C4(a), allowing the application of the measurement method for Downer's greenhouse gas emissions that was used in the prior period.

New Zealand Climate-related Disclosure Exemption

Downer EDI Limited (Downer EDI) is a climate reporting entity for the purposes of Part 7A of the Financial Markets Conduct Act 2013 and is relying on the Financial Markets Conduct (Climate-related Disclosures for Overseas Climate Reporting Entities) Exemption Notice 2026 (Exemption) in respect of the accounting period ending 30 June 2026.

The effect of relying on the Exemption is that Downer EDI is exempt from the climate-related disclosure obligations in Part 7A of the Financial Markets Conduct Act 2013 for the accounting period ending 30 June 2026. Instead, Downer EDI has prepared and filed climate-related disclosures for its global business in accordance with applicable Australian sustainability reporting standards, including any related assurance report where required.

Climate governance

Downer's corporate governance framework provides the platform for the identification and management of key risks, including those relating to environment and climate, across the Group. The below illustrates the Group's climate-related governance structure, depicting the Board's relationship with relevant committees, Executive Leadership and Management.

For detailed information on Downer's Corporate Governance Framework, please refer to Downer's Annual Report, page 222.

In consideration of selecting new directors for Downer's Board, the Nominations Committee considers a range of skills, inclusive of those related to climate.

Annually, Downer's existing Directors perform a self-review, via questionnaire, of their skills and competencies to confirm they remain current, including those related to climate-related risks and opportunities. The final board skills matrix, included under Principle 2 of the Corporate Governance Statement, is reflective of these ratings. They also seek advice from external third parties regarding climate-related obligations, regulations and requirements. For example:

- In FY24, Downer engaged external legal consultants to undertake a review of the Group's climate governance.
- In FY25, Downer engaged an external consultant to assist with its climate-related risk and opportunity identification and provide input into its scenario analysis.
- In FY26, Downer's Directors completed tailored climate-related training focused on Director's obligations for climate disclosures and AASB S2 requirements, supported by external subject matter experts.
- Downer has engaged external legal consultants to perform a compliance review over this Sustainability Report against AASB S2 and the *Corporations Act 2001* (Cth).

In addition, the Board maintains its knowledge through various forms such as reading publications featuring climate-related matters that are published by the Australian Institute of Company Directors and legal practices as well as taking part in other external climate-related trainings and courses.

In FY26, Downer undertook a review of the Board and Committee charters and integrated revisions to these charters to reflect the roles and responsibilities of the respective bodies related to climate oversight. Downer's charters are available on the Corporate Governance page (Board and Committees section) of its website. Details of the various bodies that have oversight over climate-related matters, including climate-related risks and opportunities, at Downer is illustrated below:

Board

- The Downer EDI Limited Board oversees and is responsible for climate-related risks and opportunities across Downer.
- Approves near-term and long-term climate targets[(i)] and climate-related disclosures.
- Receives climate updates at least quarterly, including annual reviews of progress towards climate targets, updates on climate-related risks and opportunities and reporting from management on performance reporting on emissions.
- These updates allow the Board to keep well-informed to monitor and assess impacts of climate-related risks on Downer's strategy.
- No material climate-related trade-offs requiring Board-level consideration were identified in FY26.

Board Committees

Zero Harm Committee

- Primary Board committee with climate oversight and responsibility
- Oversees climate policies, strategies, systems and processes, as stated in its charter.
- Assesses reasonableness and appropriateness of new Management-proposed climate-related targets prior to presenting to the Board.
- Considers climate risks and opportunities biannually, including financial and disclosure implications of climate change.
- FY26: five meetings; climate matters discussed at every meeting, including those pertaining to climate-related risks and opportunities.

Audit and Risk Committee

- Oversees risk management, internal controls and compliance across risks, including climate[(ii)].
- Oversees climate-related financial disclosures.
- Governs compliance with legal and regulatory obligations and challenges Management on completeness and accuracy of material matters.
- FY26: two meetings considered climate-related matters.

People and Culture Committee

- Oversees short-term incentive measures and KPIs, including those linked to environment, climate and decarbonisation.
- Receives annual emissions performance reporting and applies Downer's Remuneration Policy to inform remuneration outcomes, inclusive of climate-related metrics[(iii)].
- FY26: two meetings discussed climate-related targets.

Downer's Board delegates the oversight and responsibility over climate-related matters to the Chief Executive Officer, which is further distributed to the Executive Leadership Team (ELT) and Management. The Board and its Committees exercise oversight over CEO and ELT/Management through Board and sub-committee reporting, including performance.

Executive Leadership

Chief Executive Officer

- Holds ultimate management responsibility for climate-related matters.
- Endorses climate-related financial disclosures at Executive level.

Executive Leadership Team

- Provides day-to-day oversight of climate-related matters.
- Reports monthly to the Board on emissions performance, decarbonisation initiatives, business unit plans, and climate risks and opportunities.

Chief Financial Officer

- Oversees climate matters from a financial and reporting perspective.
- Supports integration of climate considerations into financial practices and reporting.

Executive General Manager Sustainability and Environment

- Has day-to-day responsibility and oversight for Group climate matters, including climate-related risks and opportunities.

Management Committees

Investment Committee

- Approves capital and operational expenditure and strategic initiatives above internal approval threshold.
- Administers the Downer Decarbonisation Fund, established to enable projects aiming to contribute to Downer's emissions reduction targets.
- Reviews commercial feasibility of decarbonisation proposals.
- Reports monthly to the Board on approved capital expenditure.

Leadership meetings and forums

- Executive Leadership Team meetings discuss progress against climate change and decarbonisation plans.
- Business Unit Senior Leadership Forums and Corporate Leaders Meetings discuss climate-related matters and updates throughout the period as deemed relevant.

(i) For more detail on Downer's emissions reduction targets, refer to page 73, section Greenhouse gas emissions targets.
(ii) Refer to the Risk Management section on page 72 for information on the controls and procedures utilised by Downer to support oversight and how these are integrated into Downer's broader functions.
(iii) For more information refer to the STI tabular summary on page 107 of Downer's 2026 Annual Report.

Strategy

A core focus of Downer's strategy, 'The Downer Advantage' is to help our customers deal with the energy transition and support them on their decarbonisation journeys.

Climate change poses both physical and transition risks to our business, customers, and communities. Physical risks include acute events such as cyclones, floods, droughts, and bushfires, as well as chronic impacts from long-term shifts in temperature, rainfall, and sea levels. Transition risks arise from the global move to a low-carbon economy, including changes in policy and regulation, technology, markets, and stakeholder expectations, which may affect costs and revenues. At the same time, the transition creates opportunities to deliver climate adaptation and mitigation strategies and expand low-emissions products and services.

Downer considered climate-related risks and opportunities in testing the viability and execution of its strategy, as disclosed in the scenario analysis section below. Risks and opportunities were identified with reference to the key stages and relationships across Downer's value chain, including suppliers and materials, subcontractors, own operations, customers, end markets and operating geographies.

Downer supports climate-related activities through dedicated sustainability, environment and operational resources across the Group. This includes the Group Sustainability and Environment team, Business Unit Sustainability and Environment Managers, emissions and sustainability data management systems such as IBM Envizi, and the use of specialist external advisors where required. These resources support climate risk assessment, emissions measurement and reporting, decarbonisation planning, supplier engagement, target monitoring and implementation of climate-related initiatives across the business.

Downer engaged external consultants in FY25 to support the identification, assessment and prioritisation of climate-related risks and opportunities that are expected to have the most significant impact on its business model and value chain.

The process to arrive at Downer's prioritised climate-related risks and opportunities involved three phases. The activities undertaken during each phase include:

- **Identification:** A long-list of climate-related risks and opportunities was developed for each Business Unit based upon Downer's risk registers, strategy documents and prior climate risk assessments and climate-related disclosures. These long-lists were validated by Downer's Executive General Manager Sustainability and Environment and Group Manager Climate & Sustainability.
- **Assessment against risk criteria:** Climate-related risk and opportunity workshops were held for each Business Unit with leaders from the respective business in attendance. Participants in the workshops were presented with key statements for each of the identified climate-related risks and opportunities and were asked to rate the inherent likelihood and consequence of each against the Group's Risk and Opportunity Framework, which provides a standardised matrix to consider these risks and opportunities against others' risk categories within Downer. This exercise was undertaken for three time horizons, as identified on the following page, and resulted in an overall inherent risk rating for each risk and opportunity within each Business Unit.
- **Prioritisation and aggregation to Group level:** Business Unit Leaders reviewed and validated the results from their respective climate-related risk and opportunity workshops. Subsequent to the Business Unit validation, the results were reviewed at a Group level and aggregated into statements reflecting shared themes. Downer's five prioritised climate-related risks and opportunities were selected based on their consistently high ratings across Downer's business units and their potential to have the greatest impact on our operating model with management judgement overlaid.
  These prioritised risks and opportunities were reviewed and endorsed by the ELT and Zero Harm Committee and then carried into Downer's climate scenario analysis.

From the list of climate-related risks and opportunities identified, the following climate-related risks and opportunities were prioritised and assessed as those that could be reasonably expected to affect Downer's prospects:

Risks

Risk	Risk theme	Financial pathways
Energy price volatility, including potential carbon pricing	Transition – Policy & Legal	Transition capex; asset value risk; operating expenditure shift
Lower emissions technology investment risk	Transition – Technology	Revenue disruption; repair costs; insurance exposure
Extreme weather	Physical – Acute	Higher energy costs; electrification capex; margin sensitivity

Opportunities

Opportunity	Opportunity theme	Financial pathways
Increased customer spending on infrastructure as a result of extreme weather events	Physical – Acute	Revenue growth; expansion capex
Supporting customer decarbonisation and energy transition efforts	Transition – Technology	Revenue growth; capital reallocation; funding/cost-of-capital benefits

In FY26, we reassessed our five prioritised climate-related risks and opportunities and confirmed they remain valid and appropriate for the business.

Each climate-related risk and opportunity was considered over the following time horizons:

Classification	Time horizon	Rationale
Physical risks and opportunities		
Short term	2030	Alignment with Downer's business planning cycle and used to inform near-term capital allocation decisions
Medium term	2050	Midway checkpoint to test Downer's strategy and business model resilience against structural climate shifts
Long term	2070	Alignment with Downer's longer-term asset portfolio and expected useful lives of assets from Downer services undertaken, particularly in the transport sector. Further, aligns with the expected length of a long-term maintenance services contract. This horizon is used to test Downer's business model resilience against structural climate shifts[1]
Transition risks and opportunities		
Short term	2030	Checkpoint for Downer's long-term decarbonisation pathway, used to inform near-term capital allocation decisions
Medium term	2040	Checkpoint for Downer's long-term decarbonisation pathway, used to test Downer's business model resilience against shifts in climate policy and new technology
Long term	2050	Alignment with the Paris Agreement objective and Downer's long-term emissions reduction target of achieving Net Zero emissions; used to test Downer's business model resilience against shifts in climate policy and new technology

Downer has assessed the time horizons utilised and confirmed these remain appropriate and valid for use in FY26.

Consideration regarding integration of the above climate-related risks and opportunities into capital deployment and funding decisions is included in the Risk Management section on page 39 and within the Capital Deployment sub-section on page 74.

In the climate-related risks table that follows, some mitigations refer to Downer's decarbonisation pathway. Refer to the Downer's decarbonisation pathway section on page 69 for an outline of this pathway, and the integrating climate risk management section on page 72 for an overview of how climate is integrated into Downer's risk management framework, including capital allocation considerations. Unless specifically noted, climate-related risks and opportunities included in the table are applicable across all of Downer's sectors and geographies.

[1] Downer's contract for the Queensland Train Manufacturing Program is for an initial term of 15 years (through to 2040) and a maximum term of 35 years (through to 2060).

	Climate-related risk or opportunity	Mitigation or Strategy	Current year impacts	Anticipated impacts
Policy & legal transition risk  **Concentration: Transport and Energy & Utilities**  	Energy price volatility, including potential carbon pricing The energy transition may increase Downer's exposure to utility price volatility across Australia and New Zealand, including electricity, gas and fuel costs and potential carbon price pass-through from suppliers. This may increase operating costs and affect margins where costs cannot be fully recovered through contracts.	Downer's mitigation strategies include: energy efficiency initiatives, cost management and contractual pass-through mechanisms. These actions are supported by Downer's decarbonisation pathway, which is intended to reduce exposure to gas, fuel and carbon-related cost escalation over time. Fleet rationalisation and electrification also support lower energy intensity and reduced exposure to liquid fuel price volatility.	No specifically or separately identifiable material current year impact on Group carrying amounts, cash flows or financial performance. FY26 exposure was assessed as immaterial, with no carbon price directly impacting Downer and utility price movements managed through ordinary operating controls.	**2030, 2040** and **2050**: No specifically or separately identifiable material impact currently expected on carrying amounts, financial performance or cash flows. Future impacts may include higher gas, liquid fuel or supplier pass-through costs, partly offset by electrification, efficiency measures and contractual recovery where available. While not expected to be material, the largest impact is expected in the low climate change scenario. Downer anticipates this may increase the cost of purchased energy, resulting in an increase in raw materials and consumables used expense.

	Climate-related risk or opportunity	Mitigation or Strategy	Current year impacts	Anticipated impacts
Technology transition risk **Concentration: Transport (asphalt and fleet)**	Lower emissions technology investment risk. The transition to lower-emissions and energy-efficient technologies may require significant upfront investment. The risk is that Downer does not time these purchases optimally, as there are significant dependencies on technology maturity, commercial viability and customer requirements. The risk may affect capital allocation and operating costs.	Downer's mitigation strategy centres around its decarbonisation pathway, Business Unit plans and capital governance. Key actions include progressive fleet transition, asphalt plant efficiency and lower-emissions asphalt production where commercially viable and customer-supported.	No specifically or separately identifiable material current year impact on Group carrying amounts, cash flows or financial performance. Climate-related expenditure was managed through ordinary capital governance and did not require asset impairments, accelerated retirements or useful life changes.	**2030:** No specifically or separately identifiable material impact currently expected on existing carrying amounts, financial performance or cash flows. **2040** and **2050:** The anticipated impacts under these time horizons were assessed qualitatively because the available data was not sufficiently complete, consistent or reliable to support a decision-useful quantified estimate. Based on this assessment, we expect a material increase in plant and equipment and inventory costs and cost of goods sold. Future impacts may include phased capital and operating costs for fleet, asphalt and energy transition, subject to technology maturity, customer requirements and commercial viability and potential early retirement of existing plant and equipment. The most material impact is expected in the low climate change scenario.

	Climate-related risk or opportunity	Mitigation or Strategy	Current year impacts	Anticipated impacts
Acute physical risk  **Concentration: Transport** 	Extreme weather**.** Downer has considered extreme weather to include: ▪ extreme rainfall and flooding events ▪ prolonged wet weather events, defined as at least 3-day wet weather events ▪ severe weather events, specifically cyclones, windstorms and bushfires These events may disrupt operations, delay project delivery and increase repair and remediation costs, while heightening safety and environmental risks at weather-exposed sites.	Downer's mitigation strategies include insurance, health and safety controls, business continuity planning and operational weather management. Key controls include annual reviews of Australian asphalt plant Business Continuity Plans, consideration of flood risk in New Zealand building consents, work rescheduling, contingency planning, contractual protections, cost pass-through mechanisms where available, and agreed weather monitoring sources. Residual risk remains where impacts are underestimated, insurance is insufficient or costs cannot be fully recovered.	No specifically or separately identifiable material current year impact on Group carrying amounts, cash flows or financial performance. Prolonged exposure to rain and severe weather events resulted in lost revenues for the Group during FY26, primarily driven by decreased asphalt production and road surfacing operations.	**2030, 2050** and **2070**: No specifically or separately identifiable material impact currently expected on existing carrying amounts, financial performance or cash flows. Downer has quantified the anticipated impacts of extreme rainfall and flooding and prolonged wet weather events in the medium and long term, which projects that the annual impact to the Group is not material under any of Downer's climate scenarios. Severe weather events were assessed qualitatively as no quantitative regional climate projection data is available to appropriately quantify. This has been assessed as no material impacts are expected across the medium or long term under any of Downer's climate scenarios. Downer expects that this could affect raw materials and consumables used, plant and equipment costs and values of property plant and equipment.

	Climate-related risk or opportunity	Mitigation or Strategy	Current year impacts	Anticipated impacts
Acute physical opportunity **Concentration: Transport**	Increased customer spending on infrastructure as a result of extreme weather events. More frequent or severe extreme weather events may increase demand for infrastructure repair, recovery, adaptation and resilience services. This may create revenue opportunities for Downer as governments and private customers increase investment in reconstruction, maintenance and resilience works, including in regions where climate exposure is projected to rise.	Downer assesses weather-exposed locations, operational capacity and infrastructure needs to support demand for recovery and resilience works. Recent actions include replacing infrastructure at the Lismore Asphalt Plant in FY25 and relocating an Ipswich asphalt plant to Townsville. Ongoing customer engagement supports planning and identification of sustainable solutions, including BioBind in New Zealand and Reconophalt in Australia where feasible.	No specifically or separately identifiable material current year impact on Group carrying amounts, cash flows or financial performance. Extreme weather events generated recovery and repair work during the period including bushfire recovery, slip repair and Downer's participation in the Transport Rebuild East Coast Alliance.	**2030, 2040** and **2050**: No impacts disclosed due to measurement uncertainty. Anticipated annual financial impacts were quantified for extreme and prolonged rainfall events, where asset exposure, hazard and financial data were available. Other acute physical climate hazards were assessed qualitatively because the available data was not sufficiently complete, consistent or reliable to support a decision-useful quantified estimate. Based on this qualitative assessment, we expect a material impact on annual revenues across all assessed scenarios, offset by increased operating expenditures. Quantified results for extreme and prolonged rainfall indicate potential financial exposure but do not capture the full portfolio-wide effect of physical climate impacts at sufficient precision. As Downer continues to monitor its current impacts and data quality is improved, we aim to refine our modelling and gain confidence in disclosing a quantified anticipated impact. It is expected that Downer will continue to generate revenue from these services.

	Climate-related risk or opportunity	Mitigation or Strategy	Current year impacts	Anticipated impacts
Technology transition opportunity 	Supporting customer decarbonisation and energy transition efforts The transition to lower-emissions technologies and energy systems may increase customer demand for services that support electrification, energy efficiency, renewable energy transmission and battery projects. This may create revenue opportunities for Downer as customers seek to decarbonise operations, access transition-related funding and invest in energy infrastructure.	Downer's capabilities across transport, utilities and services support its response to transition-related customer demand. Opportunities will be pursued where aligned with customer needs, commercial viability and Downer's risk appetite.	Downer supported customers on a range of renewable infrastructure, electrification and decarbonisation projects in FY26, resulting in approximately $270 million in revenues. These works included electrification of bus depots across New South Wales and installation of renewable energy infrastructure and solutions for customers. Downer's current renewable energy projects portfolio supports approximately 2,700 MW of solar, wind and hydrogen generation capacity and 3,775 MW / 13,400 MWh of battery storage capacity.	**2030, 2040** and **2050**: No impacts disclosed due to measurement uncertainty. Downer expects this opportunity to have a material anticipated financial impact in the medium to long term. However, a quantitative estimate has not been disclosed because the magnitude and likelihood cannot yet be measured with sufficient reliability. Investment in energy transition technologies and infrastructure such as transmission, renewables, battery storage and grid infrastructure is expected to accelerate, with growth anticipated under all scenarios. The highest growth is anticipated in the facilities sector. Downer expects that this will result increased revenue over time.

None of the climate-related risks and opportunities presented above pose a significant risk of a material adjustment in FY27 to the carrying amounts of assets and liabilities reported in the FY26 financial statements. Further, quantification has not been provided for the combined financial effects of Downer's climate-related risks and opportunities as the combination of risks and opportunities across different time horizons and different climate scenarios would not produce useful information.

Scenario analysis

Downer conducted climate scenario analysis on a standalone basis in FY25 to test our business resilience under different climate outcomes. The scenario analysis covered all Downer Group operations and was developed through consultation with key internal subject matter experts.

Downer used the following data sources in constructing our scenarios:

- Network for Greening the Financial System (NGFS) Climate Scenarios[1]
- Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report[2].

Key considerations in the scenario selection included the availability of data specific to Australia and New Zealand, whether the scenarios aligned with the temperature pathways required by AASB S2 and the *Corporations Act 2001* (Cth), and whether they included information relevant to Downer's operations.

Downer believes that the chosen scenarios are suitable to test its business model and strategy against the climate-related risks and opportunities. These scenarios assess both major physical risks and the challenges of transitioning to a low-carbon economy, to provide a series of ranges for plausible future states of the world. Downer has used three scenarios to assess its exposure to physical and transition risks and climate-related opportunities, providing a balanced view of potential impacts across prioritised climate-related risks and opportunities. These were chosen to provide a more balanced view of potential climate-related impacts. These scenarios were all reassessed by Downer in FY26 for validity and suitability, resulting in their continued use in FY26.

1 https://www.ngfs.net/ngfs-scenarios-portal.
2 https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf.

Climate scenarios used in FY25 scenario analysis and applied in FY26

Scenario name	Low climate change scenario	Medium climate change scenario	High climate change scenario
Scenario inputs	NGFS – Orderly, net zero 2050 (1.5°C) IPCC – 1.8°C; Shared Socioeconomic Pathway (SSP) 1; Representative Concentration Pathway (RCP) 2.6[1]	NGFS – Disorderly, delayed transition (2°C) IPCC – 2.7°C; Shared Socioeconomic Pathway (SSP) 2; Representative Concentration Pathway (RCP) 4.5	NGFS – Current policies (3°C) IPCC – 3.6°C; Shared Socioeconomic Pathway (SSP) 3; Representative Concentration Pathway (RCP) 7.0
Scenario details	This scenario reflects a world that prioritises sustainable development, balancing economic growth with ambitious climate action with aggressive mitigation strategies so that global warming is kept well below 2°C, with the potential to reach as low as 1.5°C. **Policy, regulatory and carbon pricing:** coordinated policy, regulatory and carbon pricing signals support an orderly transition. **Macroeconomic and market assumptions:** investment shifts toward lower-emissions infrastructure, services and products. **National and regional factors:** Australia and New Zealand align with net zero pathways. **Energy usage and energy mix:** accelerated renewable energy deployment, electrification, grid decarbonisation and energy efficiency. **Technology, emissions and climate pathway assumptions:** rapid technology deployment, including low-emissions fuels where electrification is constrained.	A delayed and fragmented global response to climate change. As a result, global warming reaches 2.0°C, and could rise to approximately 2.7°C by the end of the century. **Policy, regulatory and carbon pricing:** limited policy action continues until around 2030, followed by abrupt and uneven tightening. **Macroeconomic and market assumptions:** market conditions become more volatile, with higher costs for emissions-intensive inputs. **National and regional factors:** transition is uneven across Australia and New Zealand, reflecting regional differences in policy, energy infrastructure, climate exposure and adaptation capacity. **Energy usage and energy mix:** energy usage remains mixed through the 2020s, with a faster shift to renewables and electrification after 2030. **Technology, emissions and climate pathway assumptions:** technology deployment is delayed, requiring sharper emissions reductions later in the period.	Global climate action remains insufficient to meet international targets. Without additional measures, global temperatures rise to between 3°C and 3.6°C by 2100. **Policy, regulatory and carbon pricing:** current policy settings continue with fragmented, limited additional ambition. Carbon pricing exists in some jurisdictions, yet it is fragmented and lacks the strength to drive meaningful change. **Macroeconomic and market assumptions:** economic growth continues with limited structural decarbonisation and increasing disruption from physical risks. **National and regional factors:** Australia and New Zealand face greater exposure to heat, flooding, bushfire and storm impacts. **Energy usage and energy mix:** the energy mix remains more carbon-intensive for longer, with slower renewable generation, storage and enabling infrastructure deployment. **Technology, emissions and climate pathway assumptions:** technology adoption is slower, resulting in insufficient emissions reductions and more severe physical climate impacts.

[1] This scenario has been considered to be a 1.5°C physical risk scenario by Downer given there is a temperature range of 1.3°C to 2.4°C. Downer considered SSP1-1.9 in selecting its scenarios for analysis. In consideration of AASB S2 paragraph 22(b)(iv) and Paris Agreement objectives, it was determined that the differences between SSP1-1.9 and Downer's selected scenario input would not materially impact our scenario analysis outputs or resilience assessment.

Resilience assessment

Downer is of the view that its strategy and business model are resilient, and not expected to change materially across the range of climate scenarios assessed, including both lower-emissions transition pathways, as well as higher-emissions futures characterised by increased physical climate impacts.

While exposure to acute physical climate risks is expected to increase under higher-emissions scenarios, Downer is well positioned to strengthen its resilience through targeted adaptation measures, asset management practices, business continuity planning, and the incorporation of climate resilience considerations into infrastructure design and delivery, as these already form part of decision making today.

The assessment also identified opportunities associated with the transition to a lower-emissions economy. These include increased demand for resilient infrastructure, energy transition, decarbonisation, resource recovery, circular economy and climate adaptation solutions across the sectors in which Downer operates. Although this is not expected to impact on Downer's core business model, it is expected that this will provide growth primarily within the Energy & Utilities sector.

Downer is also exposed to transition-related risks; however, based on its assessment, these risks are not expected to be material and are considered to be well understood and appropriately managed through existing risk management processes. Downer's mitigation and management measures are detailed in the Downer's decarbonisation pathway section on page 69. Downer's decarbonisation pathway is expected to enhance resilience to both physical and transition risks. Fleet transition initiatives, renewable energy procurement and asphalt plant upgrades are expected to reduce exposure to fuel and energy price volatility, carbon-related costs and evolving regulatory requirements. These investments also strengthen Downer's ability to capture opportunities associated with resilient infrastructure, energy transition, transport electrification, resource recovery and lower-emissions products such as Reconophalt and BioBind, supporting the long-term resilience of its strategy and business model.

Downer's resilience assessment considered its capacity to adjust its strategy and business model across the short, medium and long term. In the short term, adaptation is primarily enabled through operational controls, asset management and business continuity measures. In the medium term, adaptation is supported through capital investment, decarbonisation initiatives and the expansion of lower-emissions products and services. In the long term, Downer expects to adapt to changing market conditions by aligning its services and investment priorities with evolving customer demand for energy transition, climate adaptation and resilient infrastructure solutions. The timing and extent of these adjustments remain dependent on factors including technology availability, customer uptake, policy settings, supply chain capacity and access to supporting infrastructure.

Downer considers stranded asset risk to be limited under the scenarios assessed. High-emitting assets, including asphalt plants and fleet, are expected to transition progressively through upgrade, replacement and operational improvement programs over their useful lives, rather than requiring early retirement. The pace of transition will depend on technology availability, supporting infrastructure, customer requirements and contractual commitments.

Downer considers its operating cash generation, balance sheet capacity and access to financing provide sufficient flexibility to respond to climate-related risks and opportunities identified through the scenario analysis. Climate-related investments are supported through existing capital allocation processes, including the Investment Committee and Decarbonisation Fund.

The climate resilience assessment incorporates a number of significant uncertainties that could influence the timing and magnitude of climate-related impacts. These include uncertainty in future physical climate hazard projections, including the frequency and severity of extreme weather events under different emissions pathways; uncertainty regarding the pace and design of climate-related regulation, policy settings and market responses; uncertainty in the availability, cost and performance of emerging decarbonisation technologies and alternative fuels; uncertainty relating to customer demand for lower-emissions products and services; and uncertainty regarding the extent to which climate-related risks and opportunities may affect future revenues, operating costs, asset values and capital expenditure requirements. Downer has considered a range of assumptions and scenarios to assess resilience across these uncertainties; however, actual outcomes may differ from those modelled.

Transition plan aspects of Downer's strategy

Downer delivers essential services across the Transport, Utilities and Facilities sectors in Australia and New Zealand. These services support everyday community needs and enable communities to thrive. Demand for Downer's services is driven by investment in the energy transition, population growth and demographic change, defence spend, government services, local industry revitalisation, and digital transformation. For further information about Downer's business model and strategic focus areas, refer to the table beginning on page 35.

Economy-wide decarbonisation and the energy transition are strategic priorities for Downer (see page 33) and are embedded across the Group's business model and strategy. These trends support emissions reduction in the context of continued population and urban growth. The energy transition is expected to create opportunities across multiple parts of Downer's portfolio, including renewable energy generation, storage and transmission infrastructure through the Energy & Utilities sector, advanced road construction solutions, and battery-electric and hybrid locomotives within the Transport sector. Growth is also anticipated in services supporting transport electrification, increased grid capacity and the integration of distributed energy resources.

Downer's Investment Committee applies defined thresholds in funding and capital allocation decisions, including for initiatives supported by the Decarbonisation Fund. This enables alignment between the transition plan and Downer's internal investment governance and capital deployment processes.

Downer has referred to and considered the applicability of climate related metric categories on pages 70 and 71.

Downer's decarbonisation pathway

Downer's Business Unit decarbonisation plans inform Group-level pathway modelling, detailed below, and the mitigation and adaptation measures outlined on pages 61-65. The below illustrates Downer Group's decarbonisation pathway to 2050.

Downer's Scope 1 and 2 emissions reduction targets are a 50% reduction by 2032 and net zero by 2050, each measured against Downer's FY20 baseline of 346,684 tCO_2-e.

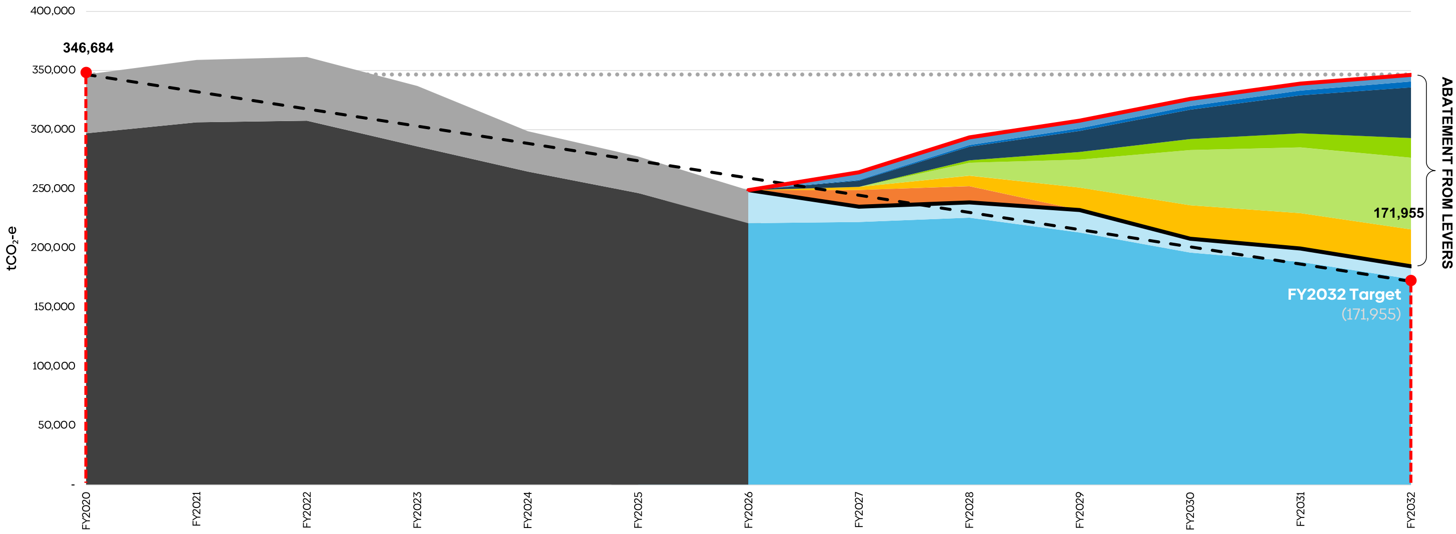
Reducing emissions to 2032

In FY26, Downer's Scope 1 and 2 emissions were 28% below the FY20 baseline. Delivery of the 2032 target is expected to come from five key decarbonisation levers, each grounded in current Business Unit plans and, where relevant, legislated vehicle and electricity standards:

- Grid decarbonisation – Downer's electricity emissions are expected to fall as the Australian grid moves towards the legislated 82% renewable electricity target, supplemented by large-market renewable electricity procurement planned for FY27–FY28
- Light vehicle fleet transition – in line with the New Vehicle Efficiency Standard in Australia and the Clean Car Standard in New Zealand, as the fleet turns over
- Heavy vehicle fleet transition – in line with CSIRO decarbonisation pathways, as lower-emissions heavy vehicles become available at scale
- Plant electrification – progressive electrification of mobile and minor plant, such as hybrid and solar generators replacing diesel generators
- Asphalt efficiencies – led by the continued expansion of warm-mix asphalt.

The charts on the next page show the abatement expected from each lever, against the FY20 baseline and Downer's decarbonisation target pathway.

Emissions pathway, levers and targets
tCO_2-e · FY2020–FY2032



PERFORMANCE

- Historic Scope 1
- Historic Scope 2
- Projected Scope 1
- Projected Scope 2
- Pre-abatement emissions projected via business growth from FY26
- Net forecast
- Emissions reduction pathway
- FY2020 Baseline

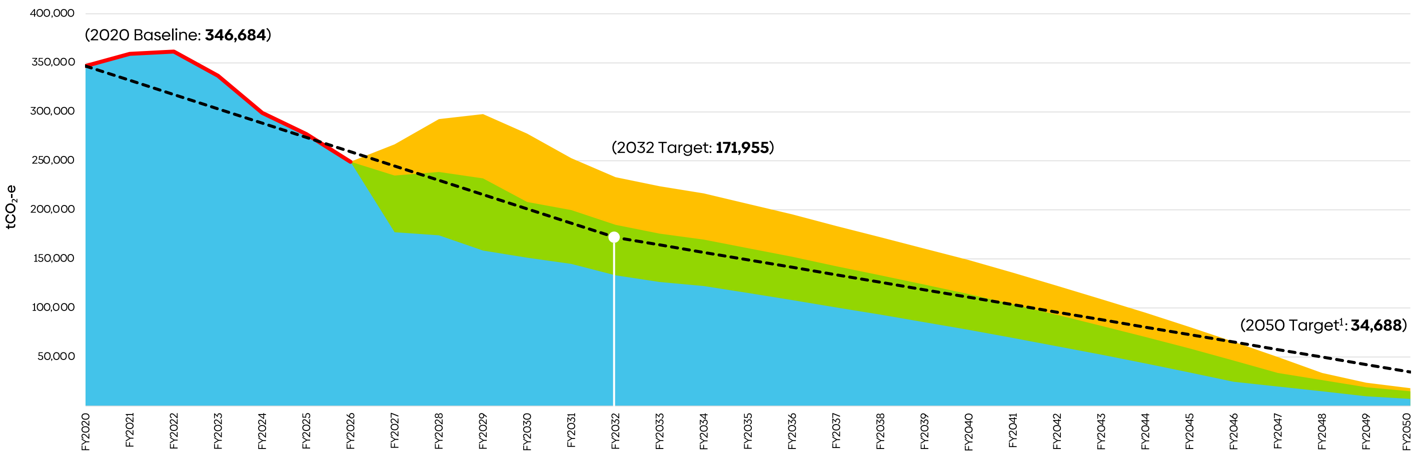
DECARBONISATION LEVERS

- Large-market renewable electricity (FY27–28)
- Grid decarbonisation
- Light-vehicle fleet transition
- Heavy-vehicle fleet transition
- Plant electrification
- Asphalt efficiencies
- Business-unit initiatives

The pathway to net zero by 2050

Beyond 2032, the pathway relies on technologies expected to mature over the longer term, including hydrogen or ambient-temperature asphalt production and battery-electric heavy vehicles at scale. The below shows the modelled pathway to 2050, including upper and lower sensitivity cases. These cases are sensitivity tests, not alternative commitments. All three use the same model, varying only the pace of the levers described above and forecast revenue (±10%).

Downer's Decarbonisation Pathway
tCO_2-e · FY2020–FY2050



Base · Lower · Actual Performance · Decarbonisation Target

2020-2025

Vehicle supply - quantity of vehicles, and appropriate alternative fuel vehicles for our fleet.

Cost efficient renewable electricity options

2026-2032

Emissions benefits from alternative fuel vehicles are contingent on supply of vehicles, and technological developments to support rollout at scale.

Emissions benefits from battery electric vehicles, are contingent on the timely decarbonisation of the grid.

2032-2045

The technological capability of Asphalt plants to accept Hydrogen fuel at a high dilution rate needs to be developed. Capital expenditure will be required to convert plants or build new plants to support this.

Acceptance of the quality of Ambient asphalt at significantly lower temperatures by customers.

Development of BEV heavy vehicles at scale, with sufficient battery density and/or charging to support regular operations.

2045-2050

Carbon Removal offsets at present are scarce and subject to significant uncertainty in viability depending on the sequestration option.

Establishment of carbon removal projects (e.g., nature-based solutions) would need to be committed to well in advance to ensure secure supply at a competitive price.

1. To achieve net zero, Downer aims to reduce its Scope 1 and 2 emissions by 90% from a FY20 baseline by 2032, with the residual 10% being covered by the purchase of neutralising/carbon removal offsets.
2. 10% was chosen as this was the average observed accuracy of Downer's budget v actual revenue figures since 2021 with no bias in either direction.

Achievement of these targets and Downer's decarbonisation pathway, which largely centres around the Transport sector, are contingent on several material assumptions, including:

- The pace of technology and alternative fuel adoption in asphalt plants;
- Supply chain availability, commercial feasibility of alternative fuel fleets (both heavy and light vehicles) and related charging infrastructure;
- Fluctuations in demand for Downer's products and services;
- Customer willingness and capacity to co-invest in lower emissions solutions; and
- The Australian Government achieving its target of 82% renewable electricity generation by 2030.

To achieve Downer's long-term emissions reduction target, as detailed in the Greenhouse gas emissions targets section on page 73, the residual 10% will addressed through the purchase of neutralising or carbon removal offsets. Based on Downer's decarbonisation pathway modelling, it is anticipated that such offsets may be procured in the 2040s, subject to the achievement of the 90% emissions reduction. Downer intends that these offsets will be certified carbon removal or neutralising offsets (e.g. ACCUs), noting that this will depend on prevailing market conditions, with no bias towards either nature-based or technological carbon removal . The market for carbon removal offsets continues to evolve, and Downer will monitor developments as it progresses toward its target.

Indirect mitigation and adaptation activities

Downer also contributes to climate mitigation and adaptation outcomes through supplier engagement, industry collaboration and customer-focused innovation. Key initiatives include participation in the CDP Supply Chain Program to promote emissions transparency and improvement across the value chain, engagement with industry organisations including the Sustainable Business Council, Climate Leaders Coalition and Infrastructure Sustainability Council (ISCA), and the development of lower-emissions products and services such as Reconophalt and BioBind that support customers' decarbonisation objectives. These activities complement the direct actions described above by influencing emissions reduction and climate resilience beyond Downer's own operations.

Risk management

Downer identifies, assesses, prioritises, monitors and manages climate-related risks and opportunities through controls and procedures to support the oversight of climate-related risks and opportunities. This includes its Climate-related Risks and Opportunities Procedure developed in FY26, which aligns with its established Group Risk Management Framework. The procedure contains processes designed to support transparent and consistent climate-related risk management across the Group, which is ultimately governed by the Zero Harm Committee.

Identification, assessment and prioritisation

Downer has identified climate change as a current or potentially material risk and has incorporated it in the Group Strategic Risk Register. Refer to page 59 for further information on the process undertaken for Downer's identification, assessment and prioritisation of climate-related risks and opportunities. Consolidated reporting from Group and Business Unit risk registers is provided to the Audit and Risk Committee at least bi-annually.

Climate-related risks and opportunities, including relevant physical and transition risks, are considered as a part of strategic Business Unit risk reviews. These reviews are undertaken in accordance with Downer's Risk and Opportunities Framework, including defined thresholds and classification matrices. Assessments consider the nature, timing and likelihood of the risk or opportunity as well as Downer's vulnerability and capability to respond.

Business Units formally review and reprioritise risks at least every six months through their strategic risk registers. Climate-related risks and opportunities were specifically assessed and prioritised in FY25 and ranked alongside other strategic risks using Downer's standard risk rating criteria.

Monitoring and managing climate-related risks and opportunities

Downer monitors climate-related metrics as lag indicators of strategic performance and potential exposure to climate-related risks. These metrics inform ongoing risk assessment and management activities.

Processes for managing climate-related risks and opportunities occur in accordance with Downer's Climate-related Risks and Opportunities procedure and overarching risk management framework. Downer Management undertakes monitoring of climate-related risks and opportunities and the related metrics at least annually. The outputs of this monitoring are provided to the Zero Harm Committee and Board to help fulfil their oversight over Downer's reporting obligations. Some climate-related metrics and inputs, particularly Downer's GHG emissions, are used to inform the Group's understanding of these risks in different contexts, aiding the management process.

Integrating climate risk management

In addition to the role of the Zero Harm Committee, as described on page 58, management and monitoring of Downer's climate-related risks and opportunities is integrated into the Company's strategic enterprise risk process and assessed on a bi-annual basis, which is monitored by the Audit and Risk Committee. Climate-related risks and opportunities are also incorporated into Downer's broader corporate strategy, planning and risk management as evidenced in the Annual Report, pages 39 and 44. This includes:

- Meetings with the Internal Audit and Risk Function to uplift enterprise risks with more explicit consideration of climate-related risk
- Integration into the budget review process for initiatives requiring investment. Refer to Investment Committee on page 58
- Inclusion of questions relating to climate-related risks and opportunities in the Financial and Corporate Governance Self-Assessment questionnaire
- Consideration of climate-related impacts on insurance coverage for weather-related losses and business disruption.

Metrics and targets

Greenhouse gas emissions targets

Downer recognises and supports the scientific consensus on climate change and is committed to taking action to decarbonise its operations, contributing to efforts to limit global temperature rise. Downer has set the following greenhouse gas (GHG) emissions reduction targets. In consideration of the cross-industry metrics, Downer selected its GHG emissions as most appropriate to monitor annual performance:

Downer's GHG emissions reduction targets

	Near-term reduction target	Long-term reduction target
Target	50% reduction	Net zero (with an associated gross 90% reduction)
Target year	2032	2050
Scopes covered	Scope 1 and 2 (market-based) emissions	Scope 1 and 2 (market-based) emissions
Greenhouse gas emissions covered	The targets cover all greenhouse gases reported under the NGER framework: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3."	The targets cover all greenhouse gases reported under the NGER framework: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3."
Baseline year	FY20, reflecting stable performance after the completion of key acquisitions and divestments	FY20, reflecting stable performance after the completion of key acquisitions and divestments
Baseline emissions[1]	346,684	346,684
Boundary	Emissions within Downer's operational control. Refer to 'Defining the Corporate Group' in the Energy and emissions data assumptions and methodology	Emissions within Downer's operational control. Refer to 'Defining the Corporate Group' in the Energy and emissions data assumptions and methodology
Basis of target	Absolute, gross basis	Net, inclusive of residual carbon offsets
Methodology and assumptions	Science Based Targets initiative's (SBTi) Corporate Near Term Target Setting Tool (Absolute contraction approach) was used in developing the target, which is aligned with a 1.5°C pathway. This target is not SBTi validated and was not derived using a sectoral decarbonisation approach.	SBTi Corporate Net Zero Tool. was used in developing the target (Absolute contraction approach), which is aligned with a 1.5°C pathway. This target is not SBTi validated and was not derived using a sectoral decarbonisation approach.

The objective of both targets is mitigation of Downer's contribution to climate change. Downer's targets were set having regard to a 1.5°C-consistent pathway under the Paris Agreement, informed by Australia's commitment to net zero emissions by 2050 and the SBTi methodology which operationalises the Paris Agreement temperature goal. No formal interim milestones have been set for either target. Annually, the Zero Harm Committee reviews Downer's progress against its decarbonisation pathway and its emissions reduction targets to assess that both targets remain appropriate. This review includes consideration of internal and external inputs, assumptions and sensitivities utilised in Management's modelling to assess the reasonableness of the targets.

Additionally, Downer has an emissions intensity target for its Scope 1 and 2 market-based emissions, established through its Sustainability Linked Loan. The FY26 target was 25.82 against a FY20 baseline of 31.68. This target utilises Downer's Scope 1 and 2 absolute, market-based emissions for FY26 divided by FY26 revenue[2]. This is reviewed by the Zero Harm Committee annually during their review of the Sustainability Report.

Update on Scope 3 emissions performance and targets

Downer has applied the transitional relief available under AASB S2, paragraph C4(b) and has therefore not disclosed its Scope 3 GHG emissions, comparatives, or an associated target in FY26. Notwithstanding the application of this transitional relief, Downer remains committed to measuring and managing its Scope 3 emissions. Scope 3 emissions were previously disclosed on a voluntary basis, and Downer continues to focus on improving data quality, strengthening engagement with

[1] In FY26, Downer restated its FY20 baseline emissions following a reassessment of its operational control boundary related to its asphalt haulage and bitumen subcontractors that have historically been included. The restated figure is included herein.
[2] Revenue is defined as defined as Downer Statutory revenue, including other income and assets held for sale.

suppliers, refining methodologies, and undertaking assurance activities in preparation for mandatory disclosure in FY27. Downer also remains committed to the broader objective of decarbonising its value chain, with an overall ambition of supporting net zero outcomes and working collaboratively with our supply chain to reduce emissions.

In future periods, Downer will continue to prioritise increasing the proportion of actual emissions data collected through targeted supplier engagement, progressively replacing the use of spend-based estimates that currently form part of Downer's Scope 3 emissions profile. In parallel, Downer remains committed to a supplier engagement program, which seeks not only to improve data availability and quality, but also to support suppliers through education and guidance to facilitate emissions reductions.

Vulnerability to climate-related risks and alignment to climate-related opportunities

The below table summarises Downer's climate-related metrics established and measured during FY26. Downer has elected to apply transitional relief under AASB S2, paragraph C3 and is not disclosing comparatives for its metrics.

Downer's climate-related metrics

Climate-related metric(s)	Calculation method	FY26 performance $m (%)
■ Amount and percentage of Downer's assets vulnerable to extreme weather	Fixed assets and Inventories at Downer sites vulnerable to extreme weather, as a proportion of Downer's total assets[1]	386 (6%)
■ Amount and percentage of Downer's revenue vulnerable to transition risks	Revenue associated with portions of Downer's Transport sector (specifically asphalt production, and fleet)	1,710 (18%)
■ Amount and percentage of activities aligned with climate opportunities	Revenue was assessed based on its alignment to Downer's climate-related opportunities, including both physical adaptation and transition opportunities, based on a Downer-derived taxonomy.	5,435 (56%)

Capital deployment

In FY26, there were no material capital expenditures deployed towards climate-related risks and opportunities. Downer's investment feasibility assessments for long-life assets consider, and where applicable, assess, carbon and climate-related impacts.

Internal emissions price

No internal emissions price was set in FY26. Carbon pricing assumptions have been incorporated as an input into Downer's climate scenario analysis and modelling conducted in FY26 and Business Planning conducted in FY26. However, these assumptions were not used to inform operational or investment decision making in FY26. Accordingly, Downer does not disclose an internal carbon price for FY26.

Remuneration

Downer has linked its greenhouse gas emissions reduction targets to Executive remuneration through the Short-Term Incentive (STI) plan to incentivise Business Units to decarbonise in line with Downer Group's overall ambition. The FY26 requirements are summarised below:

Element	FY26 KPI
Decarbonisation (10% of total STI scorecard)	■ Achieve absolute GHG emissions reductions factoring in planned business activity ■ GHG emission reductions achieved through the implementation of planned decarbonisation initiatives as per internally managed Business Unit Climate change and decarbonisation plans (FY26 initiatives summarised on page 76).

In FY26, remuneration linked to climate related (decarbonisation) objectives ranged from 2% to 4% of total Executive Management remuneration. For more information on the decarbonisation element of the FY26 STI scheme, including the outcomes, refer to page 96.

[1] Vulnerability was assessed based on whether an asset was exposed to a significant increase in exposure to a climate hazard, in a location where the climate hazard was deemed significant, by 2030, using modelling from SSP1-2.6

Downer's energy and emissions performance

Downer's total operational emissions Total Scope 1 and 2 (Market Based)[1] was 249,017 tCO_2-e for FY26. Downer considers that it is on track for its near-term 2032 emissions reduction target. Refer to pages 69-71 for Downer's decarbonisation pathway which illustrates Downer's current position in relation to its targets set. Below is a summary of Downer Group's emissions profile for FY26:

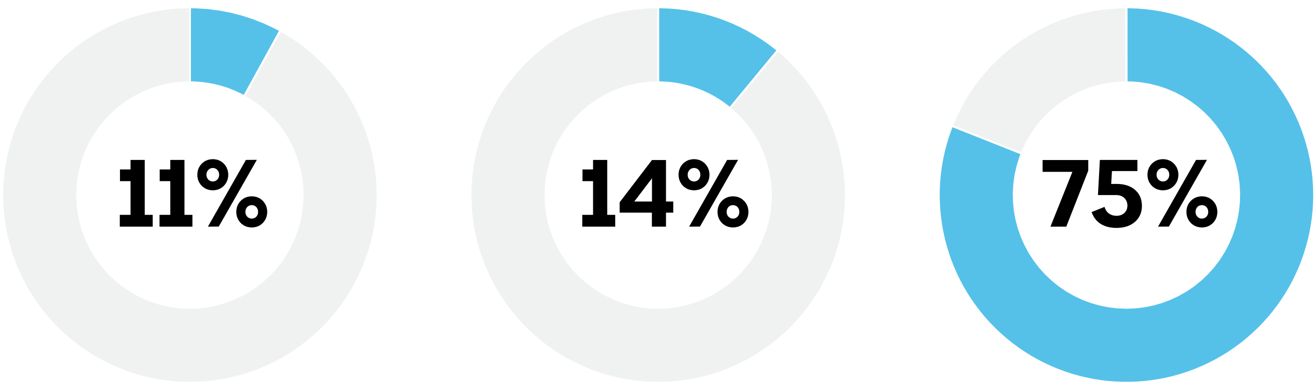
Metric	2026
Scope 1 (tCO_2-e)	221,006
Scope 2 (tCO_2-e) (location based)	29,668
Scope 2 (tCO_2-e) (market based)	28,011
Total Scope 1 and 2 (location based) (tCO_2-e)	**250,674**
Total Scope 1 and 2 (market based) (tCO_2-e)	**249,017**
Scope 1 and 2 (location based) emissions intensity (tCO_2-e/$AUDmil)	25.72
Scope 1 and 2 (market based) emissions intensity (tCO_2-e/$AUDmil)	25.55

Downer's greenhouse gas inventory is prepared using the Operational Control approach under AASB S2[2], whereas the financial statements are prepared using Australian Accounting Standards consolidation requirements. Reported Scope 1 and Scope 2 emissions primarily relate to activities undertaken by entities within Downer's consolidated accounting group, but also include emissions from certain activities and subcontractor-operated assets over which Downer has operational control. Conversely, emissions associated with entities, joint arrangements and suppliers that are not under Downer's operational control are not included in Scope 1 and Scope 2 emissions and are reported within Scope 3 emissions categories where applicable.

The table below reconciles reported emissions for entities included within the consolidated accounting group and activities outside the consolidated accounting group but within Downer's operational control boundary.

FY26 Emissions Source	Scope 1 (tCO_2-e)	Scope 2 (Location Based) (tCO_2-e)	Scope 2 (Market Based) (tCO_2-e)
Consolidated accounting group	167,380	29,668	28,011
Subcontractor-operated assets under Downer's operational control	53,538	0	0
Joint arrangements/JVs under Downer's operational control	88	0	0
Total reported emissions	221,006	29,668	28,011

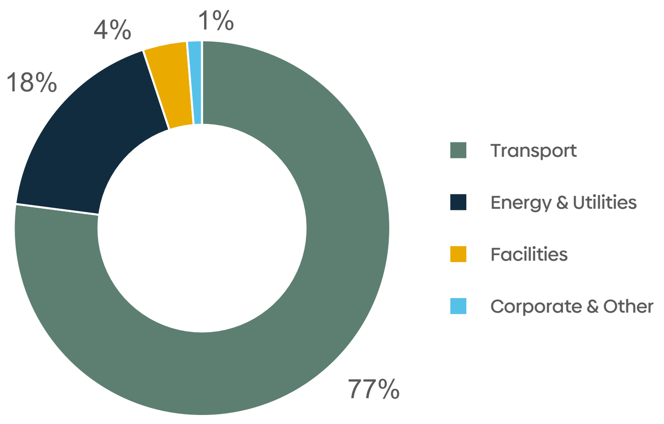
The majority of Downer's Scope 1 and 2 emissions is derived from the Transport sector, and the use of liquid and gaseous fuels throughout its light and heavy vehicle fleet, as well as its asphalt, bitumen and concrete plants. A breakdown of Downer's key emissions by source and sector in FY26, respectively, follows:



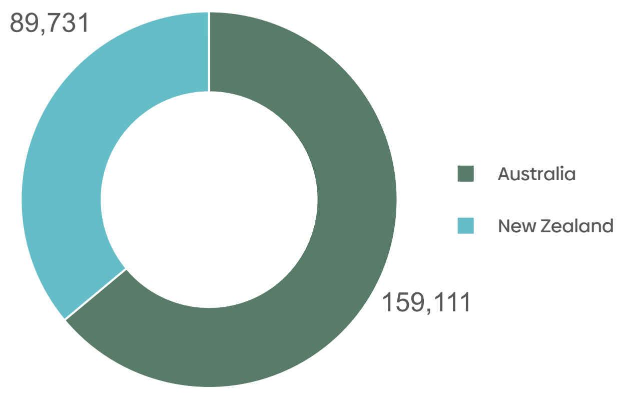
emissions from electricity	emissions from natural gas	emissions from liquid fuels

[1] Using a Market-based methodology.
[2] Downer has applied transitional relief under AASB S2, paragraph C4(a) and is applying its prior period measurement method for Downer's greenhouse gas emissions.

Breakdown of Scope 1 & 2 emissions by sector (%)



Breakdown of Scope 1 & 2 emissions by country (tCO_2-e)



Note: Downer also had 175 tCO_2-e of emissions from other jurisdictions in FY26.

Throughout FY26, Downer implemented planned decarbonisation initiatives, including:

Emissions reduction initiative type	Emissions abated, tCO_2e	Examples
Renewable energy consumption	902	▪ This year's renewable energy initiatives focus on using cleaner electricity and on-site renewable systems. Examples include purchasing renewable energy certificates and using solar or battery-supported power systems.
Fleet removal and conversion	3,953	▪ Fleet initiatives this year focus on reducing transport emissions through fleet rationalisation and shifting remaining vehicles to lower-emission options. Examples include removing unnecessary light vehicles and replacing petrol or diesel vehicles with electric or hybrid alternatives.
Energy efficiency upgrade in production processes	532	▪ Production process initiatives focus on making operations less energy intensive and reducing diesel use. Examples include improving asphalt plant energy efficiency and replacing diesel-powered site equipment with hybrid or battery-powered alternatives.
Energy efficiency upgrade in fixed assets	561	▪ Fixed asset initiatives focus on improving energy performance across buildings, depots and project sites. Examples include upgrading lighting and HVAC systems and using hybrid generators or site power systems instead of diesel-only equipment.

For further details on the methodology for Downer's Scope 1 and 2 emissions, including subcontractor emissions, see the Energy and emissions data assumptions and methodology on pages 77-84.

The procurement of renewable energy certificates for a number of sites in New Zealand also reduced Downer's emissions by 1,137 tCO_2-e, when utilising the market-based emissions methodology for Scope 2 emissions.

Energy and emissions data assumptions and methodology

Energy and Emissions data

Downer has prepared selected energy and emissions metrics in accordance with the methodologies set out in this section.

Energy, Scope 1 and Scope 2 emissions

Downer has prepared the 2026 Sustainability Report data in accordance with the broad principles for reporting energy, Scope 1 and Scope 2 emissions, as set out in the Australian National Greenhouse and Energy Reporting (NGER) Act 2007[1] that is the basis of the NGER Scheme This includes the application of the Operational Control GHG Consolidation approach, across the Group. Downer has adopted transitional relief under AASB S2 paragraph C4(a), allowing the application of the measurement method for Downer's greenhouse gas emissions that was used in the prior period, namely the NGER Scheme. The NGER Scheme was adopted because it is required by Australian law for Downer's Australian energy and emissions reporting obligations and provides a well-established and verifiable measurement framework which it used in the immediately preceding reporting period.

Energy, Scope 1 and Scope 2 emissions data reported in this year's Sustainability Report includes data from operational control sites. We have used actual data with estimates made for contractors and suppliers where data was unavailable, as consistent with previous years.

In 2026, we have reported our Scope 2 emissions using both the Location-Based and Market-Based emissions methodologies. Emission factors used in these calculations are listed in the Emissions Factors section.

Downer has used the Envizi environmental data management system for the whole of the Group, with the exception of Scope 2 – Market-Based, which have been calculated in Excel, derived from consumption data obtained from Envizi and independently sourced emission factors.

Defining the Corporate Group

Downer reports energy consumed, energy produced and Scope 1 and Scope 2 emissions from its Corporate Group for the annual Sustainability Report and the annual NGER Report (Australian sites only).

The controlling corporation's group is defined using the NGER Act definition and this definition was adopted and applied across all the countries in which Downer operated. Section 8(1) of the NGER Act defines the controlling corporation's group as comprising:

- the controlling corporation;
- the controlling corporation's subsidiaries covered by subsection (3) (if any);
- the joint ventures covered by subsection (4) (if any); and
- the partnerships covered by subsection (5) (if any).

Only those Group Members with operational control over facilities for at least part of the financial year need to be included – these are defined as 'affected Group Members'. During FY26, the following key movements occurred:

[1] National Greenhouse and Energy Reporting Act 2007, Compilation No. 26, effective 14 October 2024.

Table 1. Key FY26 events affecting the energy and emissions data

Date	Event	Impact on FY20 Scope 1 and 2 emissions (emission reduction target baseline)
31 July 2025	On 13 March 2025, Downer entered into an agreement with Dimeo to sell its New Zealand Cleaning business. The sale completed on 31 July 2025.	No restatement to target baseline is necessary due to the insignificance (<0.01%) of emissions from these operations relative to Downer's total emissions inventory.
1 July 2025	The Group entered into a sale agreement on 1 July 2025 to sell its 49% interest to the Keolis Group, which was an asset held for sale at 30 June 2025.	Downer has restated its emissions intensity FY20 baseline to remove the revenues from Downer's interest in Keolis Downer. This relates to the targets for Downer's SLL and as such, the restatement thresholds on page 84 are not relevant.

Downer has a process to identify whether it has operational control over facilities as defined by the NGER Act. This process included incorporated and unincorporated joint ventures. The list of facilities included in each year's energy and GHG inventory was reviewed by Downer Business Units to identify and confirm all operational control facilities and joint ventures for inclusion within Downer's energy and emissions reporting.

Identification of Covered Energy and GHG Emissions

Downer has included energy and GHG emissions sources for the 2026 Sustainability Report and these are described in this section.

Energy consumption and emissions from the combustion of fuels and other sources.

- Any energy consumed including electricity and direct energy sources. Any emissions incurred that relate to energy consumed, as well as other non-energy sources (e.g. fugitive emissions).

Scope 2 Location-Based and Market-Based emissions

For Location Based emissions, Downer has calculated this in accordance with the National Greenhouse and Energy Reporting (NGER) Determination 2008[1], section 7.2.

For Market Based emissions, Downer has calculated this in accordance with the NGER Determination 2008, section 7.4[1], with the following modifications:

- For the purposes of Downer's Sustainability Report disclosure, Downer has considered its purchases of Renewable Electricity in New Zealand to be equivalent to an Eligible Renewable Energy Certificate described in Section 7.4 (subsection 3) for the purposes of accounting for its renewable electricity attributes.
- Emission factors, including the use of the renewable power purchase percentage (where relevant) are listed as per Table 3 of the Emission Factors section of this Basis of Preparation, and supersede factors listed within the NGER Determination in the event of any clashes.

Downer purchased zero Large Generation Certificates in its Australian operations through the FY26 period.

Downer purchased renewable energy certificates in various facilities in New Zealand. 100% of electricity usage in those facilities, noted within Downer's emissions management systems, will be considered as zero emissions. The supplier of electricity has verified that an equivalent volume of renewable electricity was generated into the grid. Downer also witnessed Ecotricity's Toitū Climate Positive certification encompassing their verification of Ecotricity's sourcing of electricity from 100% renewable sources covering the full FY26 period.

Emission Factors

Each year, the emission factors for Scope 1 and Scope 2 emissions are checked against the relevant Australian, Aotearoa New Zealand and international references for the current reporting year.

The emission factors used in the Envizi data management system are managed by Envizi and are updated to match the relevant country-based emission factors for Australia, Aotearoa New Zealand and other countries.

The table below details the emission factors that have been applied and their sources, which contain the relevant global warming potentials for each source.

[1] National Greenhouse and Energy Reporting (Measurement) Determination 2008, Compilation No. 18, effective 31 August 2024.

Table 2. Emission factors used for the reporting period for Scope 1 and 2 emissions.

Country	Reference
Australia	All energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
Brazil	Electricity: IEA Emission Factors Package – 2024 edition
	Other energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
India	Electricity: IEA Emission Factors Package – 2024 edition
	Other energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
New Zealand	Electricity Measuring emissions: A guide for organisations: 2024 detailed guide
	Energy sources where no specific NZ factor is available: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
Niue	Electricity IEA Emission Factors Package – 2024 edition
	Other energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
Nauru	All energy sources (no electricity use in this jurisdiction): National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)
South Africa	Electricity IEA Emission Factors Package – 2024 edition
Tuvalu	All energy sources (no electricity use in this jurisdiction): National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024)

Table 3. Market-Based v Location-Based emission factors, per jurisdiction.

State / Country	Location-Based Emission Factor[1]	Market-Based Emission Factor[2]
New South Wales	As per Table 1 Indirect (Scope 2 and Scope 3) location-based emission factors, 'Scope 2 Emission Factors' column	As per Table 2 Indirect (Scope 2 and Scope 3) market-based emission factors, Scope 2 Emission Factors column 2026 and 2025 National renewable power percentages are used based upon date of consumption, as sourced from the Clean Energy Regulator[3]
Australian Capital Territory	As per Table 1 Indirect (Scope 2 and Scope 3) location-based emission factors, 'Scope 2 Emission Factors' column	As per Table 2 Indirect (Scope 2 and Scope 3) market-based emission factors, Scope 2 Emission Factors column 2026 and 2025 National renewable power percentages are used based upon date of consumption, as sourced from the Clean Energy Regulator[3]. In addition, the Jurisdictional Renewable Power Percentage was applied for the ACT[1]
Northern Territory	As per Table 1 Indirect (Scope 2 and Scope 3) location-based emission factors, 'Scope 2 Emission Factors' column	As per Table 2 Indirect (Scope 2 and Scope 3) market-based emission factors, Scope 2 Emission Factors column 2026 and 2025 National renewable power percentages are used based upon date of consumption, as sourced from the Clean Energy Regulator[3]
South Australia	As per Table 1 Indirect (Scope 2 and Scope 3) location-based emission factors, 'Scope 2 Emission Factors' column	As per Table 2 Indirect (Scope 2 and Scope 3) market-based emission factors, Scope 2 Emission Factors column 2026 and 2025 National renewable power percentages are used based upon date of consumption, as sourced from the Clean Energy Regulator[3]
Western Australia	As per Table 1 Indirect (Scope 2 and Scope 3) location-based emission factors, 'Scope 2 Emission Factors' column	As per Table 2 Indirect (Scope 2 and Scope 3) market-based emission factors, Scope 2 Emission Factors column 2026 and 2025 National renewable power percentages are used based upon date of consumption, as sourced from the Clean Energy Regulator[3]
Queensland	As per Table 1 Indirect (Scope 2 and Scope 3) location-based emission factors, 'Scope 2 Emission Factors' column	As per Table 2 Indirect (Scope 2 and Scope 3) market-based emission factors, Scope 2 Emission Factors column 2026 and 2025 National renewable power percentages are used based upon date of consumption, as sourced from the Clean Energy Regulator[3]
Victoria	As per Table 1 Indirect (Scope 2 and Scope 3) location-based emission factors, 'Scope 2 Emission Factors' column	As per Table 2 Indirect (Scope 2 and Scope 3) market-based emission factors, Scope 2 Emission Factors column 2026 and 2025 National renewable power percentages are used based upon date of consumption, as sourced from the Clean Energy Regulator[3]
Tasmania	As per Table 1 Indirect (Scope 2 and Scope 3) location-based emission factors, 'Scope 2 Emission Factors' column	As per Table 2 Indirect (Scope 2 and Scope 3) market-based emission factors, Scope 2 Emission Factors column 2026 and 2025 National renewable power percentages are used based upon date of consumption, as sourced from the Clean Energy Regulator[3]
New Zealand	Ministry for the Environment Measuring emissions: A guide for organisations: 2025 detailed guide - onment.govt.nz/publications/measuring-emissions-guide-2025/ Electricity - New Zealand - kWh - 2025	BraveTrace Annual Residual Supply Mix (PY26) https://bravetrace.co.nz/how-it-works/residual-supply-mix/

1 https://www.dcceew.gov.au/sites/default/files/documents/national-greenhouse-account-factors-2025.pdf, pages 8-9.
2 Emission factors sourced from National Greenhouse and Energy Reporting (Measurement) Determination 2008, effective 1 July 2025.
3 https://cer.gov.au/schemes/renewable-energy-target/renewable-energy-target-liability-and-exemptions/renewable-power-percentage.

State / Country	Location-Based Emission Factor[1]	Market-Based Emission Factor[2]
Brazil	International Energy Agency – Emission Factors 2025 – Location Based emission factor	International Energy Agency – Emission Factors 2025 – Location Based emission factor Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor was used for ease of calculation.
India	International Energy Agency – Emission Factors 2025 – Location Based emission factor	International Energy Agency – Emission Factors 2025 – Location Based emission factor Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor was used for ease of calculation.
Niue	International Energy Agency – Emission Factors 2025 – Location Based emission factor	International Energy Agency – Emission Factors 2025 – Location Based emission factor Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor was used for ease of calculation.
Nauru	No electricity usage so N/A	No electricity usage so N/A
South Africa	International Energy Agency – Emission Factors 2025 – Location Based emission factor	International Energy Agency – Emission Factors 2025 – Location Based emission factor Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor was used for ease of calculation.
Tuvalu	No electricity usage so N/A	No electricity usage so N/A

Methods Assessment

Downer has elected to use Method 1 from the NGER Determination, for estimating emissions in Australia and other countries (where the NGER determination is used). This methodology and its associated factors, or country-specific emission factors where available (as noted in Table 1) have been applied to all Scope 1 and Scope 2 emission sources for all of Downer's operations.

For New Zealand, and other non-Australian countries, default emission factors published by the respective national authorities have been used. These sources are listed in Table 2, Emission factors used for the reporting period for Scope 1 and 2 emissions.

1 https://www.dcceew.gov.au/sites/default/files/documents/national-greenhouse-account-factors-2025.pdf, pages 8-9.
2 Emission factors sourced from National Greenhouse and Energy Reporting (Measurement) Determination 2008, effective 1 July 2025.
3 https://cer.gov.au/schemes/renewable-energy-target/renewable-energy-target-liability-and-exemptions/renewable-power-percentage.

Estimates

In preparing the Sustainability Report, it was necessary to apply estimates where it was not possible to obtain actual data. Downer considers the basis of any estimates used to be reasonable for reporting GHG emissions and energy data. Downer reviews any manual estimates that are included within the dataset to ensure they have a sound documented basis. In FY26, Downer's Scope 1 and 2 (Location Based) emissions comprised 11.6% estimates, the details of which are outlined below.

Automated Estimation

Certain estimates are based on system-generated accruals whereby an estimate is produced for blank data points, contingent on pre-defined qualifying factors. These are configured as detailed on IBM's Configuring Accruals documentation, available on their website. All of Downer's GHG emissions and energy data is covered by the automated estimation process, except where actual data and manual estimations are entered. Of Downer's Scope 1 and 2 Location Based emissions, 2% were accruals generated from the IBM platform.

Manual Estimation of Energy and GHG Emissions

For certain accounts, related to subcontractor data, the Envizi accruals system is not sufficient to generate a complete and accurate estimate of energy and emissions data. The process for estimating this data is outlined below:

Subcontractor Data

Downer evaluated the materiality of subcontractor data. The following table represents the initial 'materiality' assessment, based on the qualitative importance of subcontractors per Business Unit.

Table 4. Summary of inclusion of Business Unit lines of business subcontractor data

Business Unit	Subcontractors' estimation evaluated as material.	Subcontractors – data collected via subcontractors' form	Methodology of estimation	Source of information
Corporate	No	N/A	N/A	N/A
Rail & Transit Systems	No	N/A	N/A	N/A
Social Infrastructure & Citizen Services	No	N/A	N/A	N/A
Transport & Infrastructure	Yes	Yes	See below	See below
Energy & Utilities	Yes	Yes	See below	See below

Restatement of FY20 Baseline

In FY26, Downer undertook an assessment of its asphalt and bitumen cartage subcontractor activities. The outcomes of this assessment were a revised determination that Downer does not have operational control over these activities. This has resulted in the emissions data for these subcontractors being removed from Downer's Scope 1 and 2 emissions, including a restatement of Downer Group's FY20 baseline. A table detailing the restated amounts follows:

Restatement of FY20 Baseline

	Amount disclosed in FY25	Restated Amount
Scope 1	337,945	297,029
Scope 2 (Market Based)	49,655	49,655
Total Scope 1 and 2 (Market Based)	387,600	346,684

Subcontractor estimation methodology – Australia

Transport & Infrastructure (T&I) and Energy & Utilities (E&U) Business Units (BU) have an extensive subcontractor base which they use to conduct activities on their behalf. Each BU has been working with its subcontractors, particularly the smaller entities, to raise awareness of their need to provide energy related data to their larger clients. Downer's approach has involved continually engaging and educating its subcontractors to improve their capability of supplying this data for future reporting periods.

Where survey responses are not received and actuals are therefore unavailable, spend-based estimation is applied using L/$ proxy rates. Subcontractor estimation is managed across four distinct groups, each maintaining its own proxy base: T&I AU, RPQ (an acquired T&I business that has not yet fully transitioned to Downer's financial systems), T&I NZ, and E&U. The methodology for each group is described below.

Subcontractor estimation methodology – Transport & Infrastructure

In FY26, internal managerial codes were used to differentiate between various activities in Australia. Material subcontractors by spend within each managerial code were surveyed quarterly to collect actual fuel data. When actual data was collected from at least one subcontractor within a managerial code, an average L/$ rate is calculated for that managerial code and applied to all other subcontractors within that managerial code category in Australia. The proxy pool draws on actual data collected from FY24 onwards, with all historical actuals retained to improve the representativeness of the rate over time. If there is no actual data associated with a managerial code, the overall proxy is used for Australian subcontractors, based on the average L/$ spent across all subcontractors in Australia.

T&I NZ applies the same managerial code methodology as T&I AU and maintains its own separate proxy base built from NZ-specific survey responses. This survey is only conducted in half-year intervals.

Exclusions:

Downer performs vetting across the top subcontractors. Subcontractors were entirely excluded if they were deemed to be part of the following categories:

1. Raw material purchases – payments to subcontractors purely for purchases are not related to activity, and therefore no fuel consumption has occurred from these.
2. Consultant spend – office based or where no/little fuel was consumed in the course of activities performed while sub-contracted by Downer.
3. T&I bitumen and asphalt cartage and haulage – operational control determinations completed in December 2025 established that Downer does not have operational control over bitumen/emulsion haulage or subcontracted asphalt cartage within the T&I business unit. In both activities, the subcontractor retains ownership and operational authority over the prime mover, route selection, fuel purchasing, and vehicle management during transit. Downer's ability to obtain fuel data from a subcontractor does not constitute operational control under the NGER Act. Accordingly, diesel emissions from T&I bitumen/emulsion haulage and asphalt cartage fall outside Downer's NGER operational control boundary and are excluded from the subcontractor estimation methodology from FY26.

For the remaining Subcontractors, Downer deemed that the $ spent and therefore the likely resource usage was not material enough to perform additional vetting. Downer has included an estimate for all of these subcontractors (for where actual data was not obtained) based on proxy calculations.

The information received from these suppliers formed the actual resource usage data. The remaining energy reported was based on a ratio between actual energy versus equivalent spend which was applied across the remaining spend per category, in accordance with the following formulas:

1. Calculate unique fuel ratio for each category:
   a. Average actual resource usage (for relevant FY, in raw units) / $ of actual spend = A'
2. Calculate estimated fuel usage for the remaining contractors in that category:
   a. A * $ of remaining contract spend per category (for contractors who did not return any actual data) = B

For the purposes of these calculations, 'remaining spend' is represented by contractors who did not return a contractor evaluation form. For example, if Contractor A returned a form that stated that it used 1,000L of diesel, but no petrol, no extrapolation will be performed for this contractor for petrol, as it has represented that it has used zero petrol.

Subcontractor estimation methodology – Energy & Utilities

Energy & Utilities subcontractor emissions data is derived from a combination of actual data collected from subcontractors and spend-based estimates. In FY26, a thorough investigation was conducted across the business to gain a deeper understanding of subcontractor activities on contracts in Australia and New Zealand. Throughout the year, material subcontractors provided actual data quarterly through a survey mechanism. This actual data served as a representative sample for estimating the remaining subcontractor emissions, based on financial spend for FY26. The estimation process also involved reviewing subcontractor types to determine whether their services were emissions-generating. The L/$ proxy applied to subcontractors for which actual data was not obtained is based on the ratio of actual usage versus spend, drawing on actual data collected from FY24 onwards, with historical actuals retained to build a more representative proxy base over time.

Ad-hoc estimates

Manual estimations have been maintained for some sites. These include extrapolations of data for the H1 period, prior to the implementation of the automatic accruals system, and data collected directly from subcontractors, where these subcontractors have indicated that their data is an estimate. The total quantum of estimates using this method for Scope 1 emissions is 0.85%, and for Scope 2 emissions is 0.03% (on a location-based methodology) and is not considered material.

Restatements

Downer has disclosed targets, and associated baselines, that relate to Scope 1 and Scope 2 emissions. For these targets to be credible, they must be set on a like-for-like basis with the current year's emissions inventory. To that end, Downer has applied the following rules to determine whether any restatements are required to baselines and targets, derived from guidance from the GHG Protocol[1], as well as NGER Supplementary Guidelines for acquisitions, disposals and mergers.[2]

Table 5. Summary of restatements

	Base Year impact	Current Year impact
Acquisition	When an acquisition of a legal entity is made, if the acquisition results in a change in absolute emissions greater than 5% of the previous reporting period's totals, then the base year shall be restated with a full year's worth of data from the Acquisition. If Base Year data is unavailable, an appropriate estimate shall be generated, utilising data from a subsequent period.	Data shall be included for the full year, irrespective of %.
Divestment	When a divestment of a legal entity is made, if the divestment results in a change in absolute emissions greater than 5% of the previous reporting period's totals, then the Base Year shall be restated with a full year's data removed from the Base Year. If Base Year data is unavailable, an appropriate estimate shall be generated, utilising data from a subsequent period.	Data shall be removed for the full year, irrespective of %.
Data error	If an error is discovered that impacts the Base Year, and this error is greater than 5% of the previous reporting period's totals, then the Base Year shall be restated with the amended data. If a data error is discovered that does not impact the Base Year, then there is no restatement to base year emissions.	Data shall be amended for the period in which the error applies within the year impact.
Organic Growth (e.g. growth of existing facility, acquisition of new facility)	No restatement to base year emissions.	Data shall include organic growth (e.g. new facility or increase in consumption commensurate with expansion in operations).

[1] Base year recalculation methodologies for structural changes – Appendix E to the GHG Protocol Corporate Accounting and Reporting Standard – Revised Edition https://ghgprotocol.org/corporate-standard.
[2] Supplementary Guideline – Acquisitions, Disposals and Mergers: treatment of change in ownership of a Group member.

Directors' Declaration

In the opinion of the Directors, the Company has taken reasonable steps to ensure the substantive provisions of the Sustainability Report are in accordance with the *Corporations Act 2001* (Cth), including:

a. compliance with Australian Accounting Standard AASB S2 Climate-related Disclosures; and

b. the disclosure of the matters included in Section 296D of the *Corporations Act 2001* (Cth).

Signed in accordance with a resolution of the Directors made pursuant to Section 296A(7) of the *Corporations Act 2001* (Cth).

On behalf of the Directors

Mark Menhinnitt
Chair

Peter Tompkins
Chief Executive Officer

Sydney, 20 August 2026

Independent Assurance Report

Independent Auditor's Review Report on specified Sustainability Disclosures

To the Members of Downer EDI Limited

Review Conclusion

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

Specified Sustainability Disclosures	**Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) (including related general disclosures required by Appendix D)**	**Location in Sustainability Report**
Governance	Paragraph 6	Climate governance paragraphs disclosed on pages 57 to 58.
Strategy (risks and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	The climate-related risks and opportunities are described within the strategy section on pages 61 to 65, under the heading Climate-related risk or opportunity: Climate-relate physical risk: • Extreme weather Climate-related transition risks: • Energy price volatility, including potential carbon pricing • Lower emissions technology investment risk Climate-related opportunities: • Increased customer spending on infrastructure as a result of extreme weather events • Supporting customer decarbonisation and energy transition efforts Applicable method and measurement approaches disclosed on page 59.

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Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	The following emissions disclosures presented in the table on page 75: • Scope 1: 221,006 tCO2-e • Scope 2 (Location Based): 29,668 tCO2-e • Scope 2 (Market Based): 28,011 tCO2-e Applicable method and measurement approaches disclosed on pages 75 and under the "Energy and emissions data assumptions and methodology' on pages 77 to 84.

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

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

Basis for Conclusion

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

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

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

Our responsibilities under ASSA 5000 are further described in the Auditor's Responsibilities section of this report.

We are independent of the Company in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the

Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures and public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2026, but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. We have issued a separate opinion on the Financial Report including the Remuneration Report included in the Annual Report. We have also issued a separate limited assurance conclusion on selected sustainability disclosures in Downer's 2026 ESG Impact Report and Downer's 2026 ESG Impact Report Data Pack.

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

Responsibilities for the specified Sustainability Disclosures

The directors of the Company are responsible for:

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

Inherent Limitations in preparing the specified Sustainability Disclosures

Sustainability information may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, and estimating such information. Different acceptable methods have varying precision and can affect the comparability of sustainability information across entities and over time.

In addition, greenhouse gas emissions quantification is subject to inherent uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases

Auditor's Responsibilities

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

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

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

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

- Inspected the specified Sustainability Disclosures and assessed the completeness and accuracy of these disclosures against the relevant disclosure requirements of AASB S2 and with reference to the knowledge and evidence obtained during the assurance engagement;
- Performed enquiries of management regarding the methodologies, processes and controls for capturing, collating, calculating and reporting the specified Sustainability Disclosures and assessed their alignment with AASB S2 and applicable method and measurement approaches;
- Inspected and assessed, on a sample basis, charters, policies, minutes of meetings regarding the monitoring, management and oversight of climate-related matters, and other underlying evidence supporting the climate-related financial disclosures on governance;
- Performed enquiries of management regarding the approach taken by the Group to:
    - Identify climate-related risks and opportunities;
    - Identify material information for disclosure with regards to the Strategy (risks and opportunities) disclosures;
- Performed enquiries of management and examined underlying evidence to assess the completeness and accuracy of the establishment of the organisational boundary, and sources of emissions, in the context of the specified Sustainability Disclosures.
- Performed enquiries of management regarding the assumptions, conversion factors and greenhouse gas emission factors applied within the calculations of the Scope 1 and 2 emissions;
- Applied analytical procedures to evaluate the Scope 1 and 2 emissions and the underlying activity data, and;
- Performed testing over the calculations of the Scope 1 and 2 emissions, including testing the activity data utilised within the calculations to third-party records, and other relevant underlying

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information, on a sample basis. These procedures did not include any examination of whether the Renewable Energy Certificates applied within these calculations actually represent renewable electricity generated.

PricewaterhouseCoopers

PricewaterhouseCoopers

C. Mara

Caroline Mara
Partner

Sydney
20 August 2026

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Remuneration Report

Downer delivers water and wastewater services to more than 14.5 million people across Australia and New Zealand.

Letter from the Chair

Dear Fellow Shareholders,

On behalf of the Board, we are pleased to present Downer's FY26 Remuneration Report.

The Board believes that executive remuneration should align performance outcomes with the delivery of value creation for shareholders. Our remuneration framework is designed to reward sustained business performance, disciplined execution of strategy, long term shareholder value creation and prudent risk management while maintaining appropriate accountability for safety, culture and governance.

The Company delivered another year of strong financial and operational performance, however these achievements were tempered by the workplace fatality that occurred during the year. The Board extends its sincere condolences to the family and to the colleagues who worked beside him. The Board's thoughts remain with the individual's family, friends and colleagues.

Operational and financial performance

During FY26, Downer delivered year on year improvement and margin-led earnings growth from a higher-quality, more resilient portfolio underpinned by disciplined execution.

Key highlights:

- Statutory NPAT increased 51.2% to $225.4 million, up from $149.1 million in FY25.
- Underlying NPATA increased 9.8% to $306.7 million, within the guidance range of $295 million to $315 million.
- Margin expansion, driven by consistent delivery and a focus on cost to serve, increased underlying EBITA by 6.1% to $502.9 million and improved the EBITA margin to 5.1%.
- Achieved an average EBITA margin of 4.7% across FY25 and FY26, exceeding the management target of at least 4.5%.
- Delivered normalised cash conversion of 91.1%, exceeding the target of more than 90%, with free cash flow of $228.6 million.
- Underlying EPS increased 14% to 42.9 cents per share. Basic EPS increased 59.8% to 32.6 cents per share.
- Maintained capital discipline, enhancing shareholder returns through the share buy-back program and a 17% increase in total dividends to 29.2 cents per share, which were fully franked.
- Work-in-hand increased 9.7%, supported by approximately $12.2 billion of new secured work, positioning Downer for a transition to sustainable growth.
- Net debt to EBITDA improved to 0.8x at June 2026 from 0.9x at June 2025.

The safety scorecard is an important aspect of Downer's commitment to enhancing our safety culture and is subject to continued review and rigour. The scorecard considers both lagging and leading safety indicators; FY26 saw Downer's Total Recordable Injury Frequency Rate (TRIFR) at 2.21 and a Lost Time Injury Frequency Rate (LTIFR) of 0.93. Progress against critical risk observations, safety improvement plans and visible safety leadership measures was a priority.

We continue to invest in capability through our People Strategy, executive leadership appointments, workforce planning and performance frameworks, supporting long-term success and strengthening Downer's reputation as an employer of choice.

FY26 Remuneration Framework

Details can be found in Section 1

At the last Annual General Meeting in November 2025, 98.6% of votes cast by shareholders were in favour of the 2025 Remuneration Report.

As outlined in our FY25 Remuneration Report, Downer conducted a comprehensive review of remuneration structures during FY25, supported by external consultants.

The insights and benchmarks from this review informed the remuneration framework for FY26.

FY26 Short Term Incentive (STI) plan outcomes

Details can be found in Sections 6.4.1, 7.3.2 and 7.4.3

In determining remuneration outcomes the Board carefully considered overall performance and determined an FY26 STI outcome of 66.6% of maximum opportunity (88.9% of target) for Executive KMP.

In direct response to the workplace fatality, the safety scorecard component was reduced to nil.

In determining FY26 STI outcomes, the Board considered the impact of Individually Significant Items (ISIs), including acquisitions, divestments, impairments and transformation initiatives and whether each item reflected management performance or strategic decisions taken in shareholders long-term interests.

Having considered performance against all scorecard measures and the relevant circumstances of the year, the Board is satisfied that the FY26 STI outcomes appropriately reflect the performance delivered by the Executive KMP.

The STI outcome appropriately recognises performance delivered across key measures, while applying strict accountability, including zero reward for the safety component.

FY24 Long Term Incentive (LTI) plan outcomes

Details can be found in Section 7.3.4

The three-year performance period for the FY24 LTI award concluded on 30 June 2026, with 94.4% of the award provisionally qualifying for vesting based on performance against the Relative TSR, EPS and Balanced Scorecard measures.

This outcome reflects the multi-year execution of the Company's transformation strategy and the strength of the leadership team's focus on delivering long-term shareholder value. In particular, the achievement of a Relative TSR ranking at the 96th percentile against the ASX 100 (excluding financials), together with EPS compound annual growth of 12.6% from a baseline of 30 cents per share demonstrates the significant progress made over the performance period.

In accordance with the plan rules, the provisionally vested awards remain subject to a further 12-month continued employment condition and a Board approval condition.

Non-executive Director (NED) succession and remuneration

Details can be found in Section 11.1

Board composition changed during FY26. Teresa Handicott retired at the conclusion of the 2025 Annual General Meeting after nine years of service. Kerry Gleeson and Annette Carey were appointed as Independent Non-Executive Directors, effective 1 September 2025 and 1 November 2025, respectively, bringing skills and experience to the Board aligned with the Company's strategic priorities.

Consistent with the Board's policy of reviewing NED fees every three years, a review was completed during FY26 with support from an independent external consultant. The review resulted in adjustments to fee levels within the existing fee pool, effective from 1 October 2025 and broadly represent annualised increases of approximately 2.5% across most roles since the previous fee review in July 2022.

The adjustments better reflect market benchmarks, Board responsibilities and the Company's ability to attract and retain high calibre Directors.

FY27 Remuneration Framework

Details can be found in Section 1

Following the significant review and update of the remuneration framework in FY26, some modifications are being made for the FY27 STI.

During FY26 management ambitions were announced for FY30, including a continued expansion of EBITA margin and for sustainable revenue growth. To align with these objectives, the Board has introduced a revenue growth measure to the FY27 STI scorecard at 10% weighting. In addition, a review of the FY27 safety KPIs is underway to strengthen our focus on critical risk reduction. While the core safety measures will largely be retained in the STI plan, the Board is enhancing the way Serious Injury Frequency Rate (SIFR) is monitored, reinforcing the importance of preventing high-consequence events across the business.

The FY27 LTI plan will retain the design introduced in FY26 applying the metrics of TSR and EPS growth. The Board believes this will support the delivery of sustainable growth and long-term shareholder value.

A review of KMP remuneration was also completed and communicated in our FY25 Remuneration Report, and no changes to remuneration are proposed for FY27.

Summary

The Board believes the remuneration outcomes described in this Report, including the accountability shown in response to the New Zealand fatality appropriately reflect the Company's performance and support our business strategy.

We look forward to receiving your feedback at our 2026 AGM and thank shareholders for their continued support and engagement.

Mark Menhinnitt
Board Chair

Adelle Howse
People and Culture Committee Chair

Remuneration Report – Audited

The Remuneration Report provides information about the remuneration arrangements for Key Management Personnel (KMP), for Downer Group, which is made up of the Non-executive Directors and the Group's most senior executives, for the year to 30 June 2026. The term 'executive' in this Report means KMPs who are not Non-executive Directors.

The Report covers the following matters:

1. Summary of changes to Remuneration Policy
2. Details of Key Management Personnel
3. Remuneration Policy, Principles and Practices
4. Relationship between Remuneration Policy and Company Performance
5. The Board's Role in Remuneration
6. Description of Executive Remuneration
7. Details of Executive Remuneration
8. Executive Equity Ownership
9. Key Terms of Employment Contracts
10. Related Party Information
11. Description of Non-executive Director Remuneration

1 Summary of changes to Remuneration Policy

Downer has continued to refine its remuneration framework during the period informed by our strategy, competitive position and stakeholder feedback. Changes to policy are noted in the relevant sections of this Report and are summarised below.

1.1 Policy enhancements for FY26

FY26 marked a transition from a period of transformation to a focus on delivering sustainable, year-on-year performance. In line with the Company's strategy to FY30, the remuneration framework was refined to reinforce accountability for sustainable financial performance and long-term shareholder value creation.

As detailed in our FY25 Remuneration Report, the People and Culture Committee oversaw a comprehensive review of our remuneration framework during FY25. This review informed the design of our FY26 remuneration framework, with a continued focus on aligning remuneration outcomes with the Company's evolving business strategy and shareholder interests.

The FY25 review was supported by independent external advisers; EY provided benchmarking insights on executive remuneration design, while Guerdon Associates benchmarked remuneration quantum for executives and NEDs.

Targeted enhancements were made to both the Company's FY26 STI and LTI framework, as outlined below.

1.1.1 FY26 Short Term Incentive Plan

The overall gateways, scorecard and weighting of the STI plan remain unchanged from the prior year, reflecting effectiveness of core design. Targeted enhancements focused on further aligning design with market practice, our strategy and shareholder interests, which included:

Enhanced deferral design

Consistent with market practice among comparable organisations, the deferred portion of the STI will be delivered as restricted rights at the start of the deferral period (previously awarded at the end). This enhancement aligns Executives' interests to those of shareholders.

The deferred portion remains unchanged at 50% of the total STI award for Executives.

Awards will vest in two equal tranches at 12 and 24 months from the grant date, subject to continued service.

A dividend equivalent payment will apply from the start of the deferral period to the vesting date for each tranche, aligning with typical market practice.

Refinement to the People metric

The People scorecard was refined to focus on engagement outcomes. Following the use of survey participation as the FY25 measure to establish a new engagement baseline, the FY26 measure was revised to assess the employee engagement score (at 5% weighting), and subject to a participation modifier to reinforce the importance of broad and representative employee feedback.

The second People measure (5% weighting) continues to measure the implementation of engagement improvement initiatives.

These changes reflected the ongoing maturation of the Company's people metrics.

Refinement to the Cash measure

The cash measure continued to comprise 30% of the STI scorecard, with the metric transitioning from Funds From Operations (FFO) to Operating Cash Flow to drive greater focus on cash generated from operations.

Continuation of other measures

Other measures were retained to support a balanced and comprehensive assessment of performance, reflecting the ongoing importance of safety, environmental stewardship and financial discipline within the organisation.

This framework continues to incorporate the EBITA margin modifier (to the NPATA component), which serves as a critical financial overlay. The modifier reinforces management focus on improving operating margins, as sustained margin improvement is a key driver of earnings quality, cash generation and long-term shareholder value creation.

1.1.2 FY26 Long Term Incentive Plan

A number of changes were made to the FY26 LTI framework, creating greater alignment with prevailing market practice and the organisation's strategic focus on sustainable growth.

These updates were designed to enhance the effectiveness of the plan in driving long-term performance, strengthening the link between executive reward and the delivery of sustained shareholder value.

The key changes are outlined below:

Simplified plan structure

The Balanced Scorecard (comprising NPATA and FFO) was removed as an LTI performance measure, with relative TSR and EPS each now weighted at 50%.

This change sharpens the focus of the LTI, aligns with market practice, and responds to stakeholder feedback in relation to the duplication of STI measures within the Balanced Scorecard measure. Profit and cash (which comprised the Balanced Scorecard) related measures are effectively captured within the Company's STI plan.

EPS CAGR targets and vesting scales aligned with sustainable growth targets

EPS targets were reviewed and recalibrated for an appropriately demanding performance range aligned with shareholder value creation, the Company's strategy and risk appetite.

The new target range was informed by detailed analysis of macroeconomic indicators, including sector growth outlook and GDP trends, alongside the Company's diversified client base, long-term contracts and focus on essential services, which support a stable and sustainable growth profile.

Under the revised scale:

- An EPS CAGR of 5% will deliver 44% vesting.
- An EPS CAGR of 5.45% will be required to achieve 50% vesting.
- The threshold target for EPS CAGR will be reduced to 4%, at which point 30% vesting will be delivered (nil vesting below 4%).
- Full vesting (100%) will be achieved at an EPS CAGR of 9%.

Recalibration of TSR vesting scales to better align with market practice

Under previous LTI plans, the vesting scale for the relative TSR measure provided for 30% vesting at 50th percentile TSR performance, which is materially below prevailing market practice.

Accordingly, the vesting scale for the relative TSR component was adjusted to 50% vesting at 50th percentile relative TSR performance, aligning with the typical scale used across the market for this measure.

Full vesting (100%) is achieved at 75th percentile relative TSR performance, consistent with the prior year.

The relative TSR measure retains the ASX 100 excluding financial services companies and underpinned by a positive absolute TSR requirement for any vesting to occur.

1.1.3 Executive KMP remuneration changes in FY26

As detailed in the FY25 Remuneration Report, the MD & CEO and CFO received remuneration adjustments in FY26.

To inform its decision making, the Board engaged an independent external remuneration consultant, Guerdon Associates, to undertake a comprehensive benchmarking review of remuneration for Executive KMP and the broader Executive Leadership Team (refer to Section 6.2 for further details).

The Board considered these adjustments appropriate in light of sustained strong performance and leadership demonstrated by both executives.

While benchmarking provides an important reference point, it is only one input in determining remuneration outcomes. The Board's decisions reflect a balanced assessment of each executive's experience, tenure, performance and impact, as well as the importance of retaining key talent, in alignment with long-term shareholder interests. A summary of the FY26 remuneration changes for executives are detailed below:

	MD & CEO	CFO
Fixed Remuneration	$1,675,000 (+8.1% on February 2023 reset)[1]	$1,000,000 (no change on prior year)
STI opportunity target / max	90% / 120 (prior year 75% / 100%)	75% / 100% (prior year 67.5% / 90%)
LTI opportunity	130% (no change on prior year)	100% (prior year 75%)
Market positioning against peer group (at time of benchmarking)	54th percentile (fixed) 36th percentile (total target remuneration at maximum)	63rd percentile (fixed) 59th percentile (total target remuneration at maximum)
Minimum Shareholding Requirements	150% (prior year 100%)	75% (prior year 50%)

[1] Prior to the change above, the MD & CEO did not received a salary increase since commencing in the role in February 2023. Accordingly, the increase above (effective 1 October 2025) reflects an annualised increase of 3.0% over the period since commencement.

1.1.4 FY26 NED fee review

A comprehensive review of NED fees was also completed; refer to Section 11 for further details.

1.2 Policy enhancements for FY27

The rigorous and robust approach applied to the design of the FY26 remuneration framework provides a strong foundation for the FY27 remuneration framework. Consequently, the focus for FY27 has been on refining the measures within the STI plan to further align to the Company's business plan, strategic priorities and shareholder value creation, rather than undertaking a comprehensive review of the overall plan structure.

1.2.1 FY27 Short Term Incentive Plan

As the Company enters FY27, with a greater emphasis on sustainable growth, the Board has reviewed the performance measures and implemented targeted enhancements to the STI plan. This includes the introduction of a revenue growth measure, weighted at 10% of the STI opportunity.

The inclusion of a revenue growth measure is intended to support the Company's strategic and financial objectives by complementing existing profit and cash generation metrics. Cash-backed profit measures continue to reinforce earnings quality and cash conversion, while the addition of a top-line revenue growth metric recognises the importance of sustainable growth. Together with the EBITA margin modifier and existing profit (35% weighting) and cash measures (20% weighting), the revised financial scorecard is designed to promote a balanced assessment of financial performance, encouraging executives to deliver growth while maintaining profitability, operational discipline through margin growth and strong cash generation.

In addition, while the core FY27 safety measures (15% weighting) will largely be retained in the STI plan, the Board is enhancing the way Serious Injury Frequency Rate (SIFR) is monitored, reinforcing the importance of preventing high-consequence events across the business. SIFR is already monitored as a key safety measure across the business and the enhanced tracking will improve visibility of safety performance trends and support targeted focus of the other safety measures.

The People and Sustainability measures (10% weighting each) will largely retain their FY26 design, with targets adjusted to reflect the continued maturity of the measures and the ongoing focus on improving employee engagement and advancing initiatives to reduce emissions across the organisation.

1.2.2 FY27 Long Term Incentive Plan

The FY27 LTI plan will continue unchanged from FY26, having received strong shareholder support at the 2025 AGM. The Board considers the refreshed design to remain appropriate and aligned with the Company's long-term strategic objectives and shareholder interests.

2 Details of Key Management Personnel

The following persons acted as Directors of the Company during or since the end of the most recent financial year:

Director	Role
M J Menhinnitt	Chair, Independent Non-executive
P J Tompkins	Managing Director and Chief Executive Officer
P A Barker	Independent Non-executive Director
S A Broadbent	Independent Non-executive Director
A Carey	Independent Non-executive Director (commenced on 1 November 2025)
K J Gleeson	Independent Non-executive Director (commenced on 1 September 2025)
T G Handicott	Independent Non-executive Director (retired on 11 November 2025)
A M Howse	Independent Non-executive Director
S J MacDonald	Independent Non-executive Director

2.1 Executive KMP

The named persons held their current executive position for the whole of the most recent financial year.

Executive	Role
P J Tompkins	Managing Director and Chief Executive Officer
M R Ashcroft	Chief Financial Officer

3 Remuneration Policy, Principles and Practices

3.1 Executive remuneration policy

Downer's FY26 executive remuneration policy and practices are summarised in the table below.

Policy	Practices aligned with policy
Retain experienced, proven performers, and those considered to have high potential for succession	▪ Provide remuneration that is internally fair ▪ Remuneration is competitive with the external market ▪ Defer a substantial part of pay contingent on continuing service and sustained performance.
Focus performance	▪ Provide a substantial component of pay contingent on performance against targets ▪ Focus attention on the most important drivers of value by linking performance and reward ▪ Require profitability to reach a challenging level before any payments can be made ▪ Provide a long-term incentive focused on sustained shareholder value creation through relative TSR and challenging EPS growth
Provide a Zero Harm environment	▪ Incorporate measures that embody Zero Harm for Downer's employees, contractors, communities and the environment as a material component of reward.
Manage risk	▪ Encourage sustainability by balancing incentives for achieving both short-term and longer-term results, and deferring equity-based reward vesting after performance has been initially tested ▪ Set stretch targets that finely balance returns with reasonable but not excessive risk taking and cap maximum incentive payments ▪ Do not provide excessive 'cliff' reward vesting that may encourage excessive risk taking as a performance threshold is approached ▪ Apply a balanced set of metrics in incentive plans to reduce risk and promote sound decision making across short- and long-term time horizons. ▪ Stagger vesting of deferred short-term incentive payments to encourage retention and allow forfeiture of rewards that are the result of misconduct or material adjustments ▪ Retain full Board discretion to vary incentive payments, in response to unforeseen circumstances or outcomes misaligned with shareholder interests ▪ Restrict trading of vested equity rewards for compliance with the Company's Securities Trading Policy.
Align executive interests with those of shareholders	▪ Provide that a significant proportion of pay is delivered as equity so part of executive reward is linked to shareholder value creation ▪ Provide a long-term incentive that is structured to promote sustained shareholder value creation by linking executive reward to performance outcomes that reflect both the Company's financial trajectory and its returns relative to peers. Vesting of LTI awards is determined by performance against EPS growth and relative TSR, with targets set to be appropriately challenging in light of sector volatility and prevailing economic conditions. ▪ Maintain a guideline minimum shareholding requirement for the MD & CEO equal to 150% of fixed remuneration and 75% for the CFO ▪ Exclude the short-term impact of opportunistic acquisitions and divestments from performance assessment to encourage agility and responsiveness ▪ Encourage holding of shares after vesting via a trading restriction for all executives and payment of LTI components in shares ▪ Prohibit hedging of unvested equity and equity subject to a trading lock for alignment with shareholder outcomes.
Attract experienced, proven performers	▪ Provide a total remuneration package designed to engage experienced executives and to support the long-term continuity of existing leadership.

4 Relationship between Remuneration Policy and Company Performance

4.1 Company strategy and remuneration

Downer's business strategy is reflected in our operating model and continues to inform our strategic direction. This includes:

- A focus on driving a performance and risk management culture across the organisation
- A simplified operating model with efficient overheads and a continuous improvement approach to year-on-year cost reductions
- Implementation of The Downer Difference which prioritises Capability, Process and Technology enhancements to drive a higher level of satisfaction for staff and customers
- Managing risk and opportunities within an approved 'risk appetite' framework and enhancing the Company's capability to deliver more consistent project and contract margins through the application of The Downer Standard.

As delivery of the key milestones under our strategy has progressed, the strategy itself continues to evolve. The business is now shifting toward its next phase, characterised by sustainable growth, with an ambition of expanding EBITA margin towards 6.0% by FY30, alongside steady revenue growth each year from FY26. This next phase will be supported by the principles embedded since 2023, including strengthened risk guardrails, selective tendering, a high-performance culture, disciplined capital management and continued uplift in contract margins.

The Company's remuneration policy complements this strategy by:

- Financial and Portfolio measures that are appropriately balanced with non-financial measures that underpin Downer's purpose of Enabling Communities to Thrive
- Incorporating Company-wide performance requirements for earnings (NPATA), cash flow (Operating Cash) and Quality of Earnings (EBITA margin percentage) in incentive scorecards
- Reinforcing management accountability for delivering sustainable growth and long-term value creation through revenue growth targets in the FY27 incentive scorecard,
- Incorporating performance metrics that focus on cash flow to provide a strong emphasis on cash-backed profits and financial discipline
- Advancing the Company's people strategy through measures focused on employee engagement outcomes, supported by initiatives that strengthen engagement across the workforce.
- Recognising safety as a core organisational priority through performance measures that reinforce accountability for maintaining and promoting a safe workplace
- Supporting the Company's sustainability objectives through measures linked to the pro-active reduction of emissions across the business.
- Excluding the short-term impacts of opportunistic acquisitions and divestments on incentive outcomes to encourage flexibility, responsiveness and growth consistent with strategy
- Deferring 50% of STI awards for executive leaders to encourage sustainable performance and a longer-term focus
- Encouraging engagement with, and the development and retention of, its people to help maintain a sustainable supply of talent.
- Maintaining a remuneration policy that is market competitive, fit for purpose, and aligned with shareholder interests through regular review and periodic external benchmarking.

4.2 Remuneration linked to performance

The link to performance is provided by:

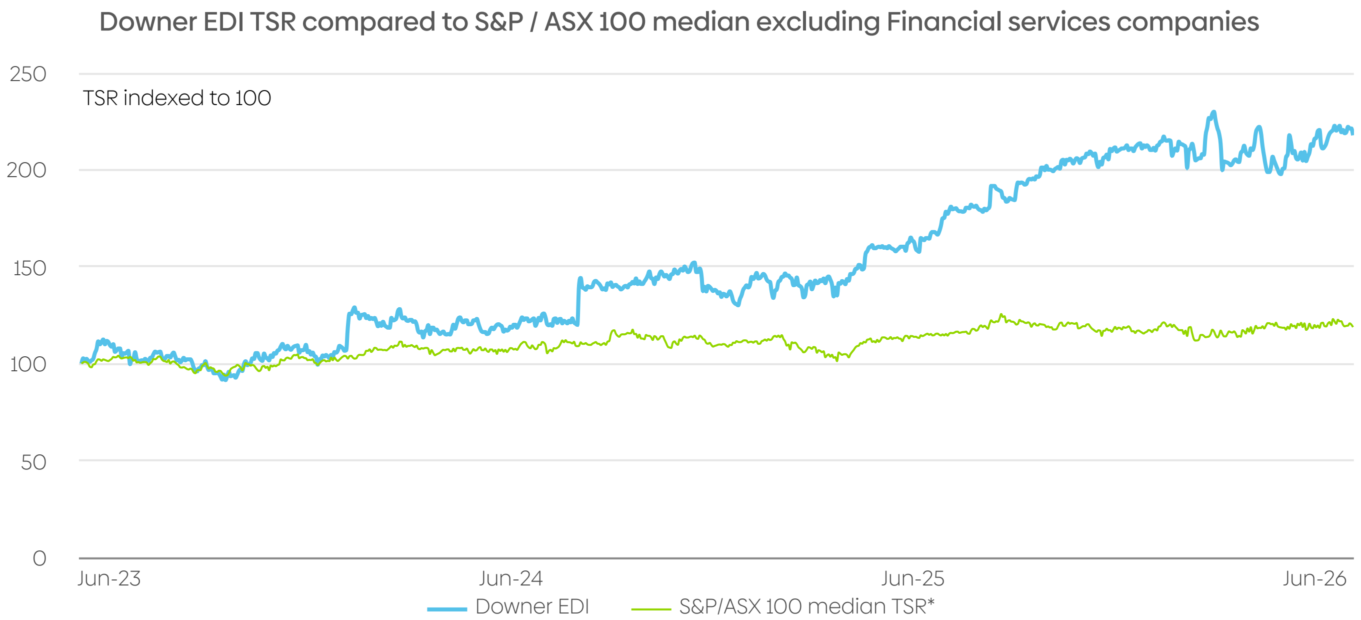
- Requiring a significant portion of executive remuneration to vary with short-term and long-term performance
- Applying a profitability gateway to be achieved before an STI reward is made
- Requiring that safety and environmental performance conditions must be satisfied before calculating any reward for safety and sustainability components within the STI plan
- Applying challenging financial and non-financial measures to assess performance
- Focusing management on strategic business objectives that create shareholder value
- Delivering a significant proportion of payment in equity for alignment with shareholder interests.

Downer measures performance on the following key corporate measures:

- Earnings per share (EPS) growth
- Total shareholder return (TSR) relative to other ASX 100 companies (excluding financial services companies), including a requirement for TSR to be positive
- Group NPATA
- Divisional EBITA
- EBITA margin
- Cash flow (Operating Cash)
- Engagement with Downer's people
- Zero Harm measures of safety and environmental sustainability.

Remuneration for all executives varies based on performance outcomes against these key measures.

The following graph shows the Company's performance compared to the median performance of the ASX 100 (excluding financial services companies) over the three-year period to 30 June 2026. Relative TSR is a measure in Downer's LTI plan. Performance is reflected in TSR outcomes of the 2023 and 2024 LTI plans. Further detail of TSR outcomes under the LTI plan is contained in Section 7.3.4.

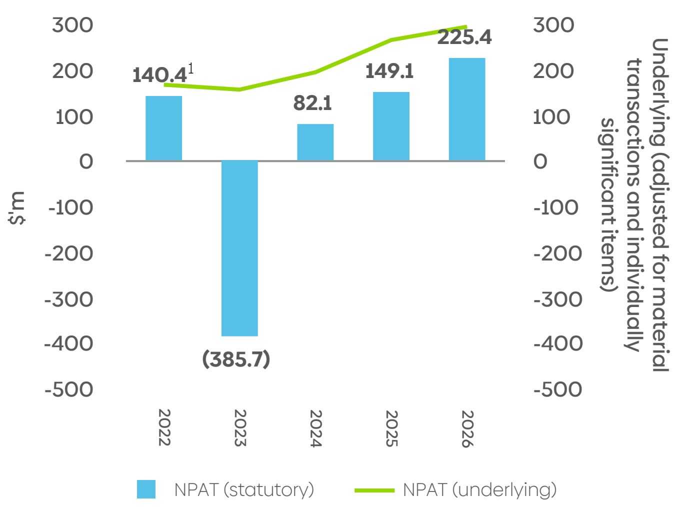


*S&P/ASX 100 companies excluding Financial services companies as at 1 July 2023.

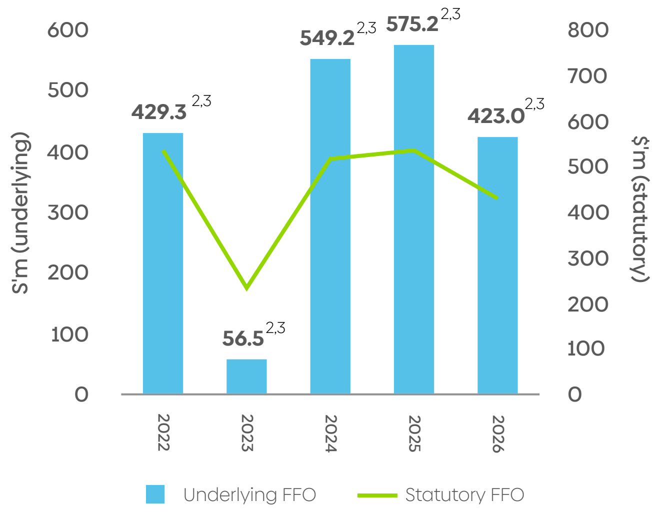
The graphs below illustrate Downer's performance against key financial and non-financial performance indicators over the last five years.

In FY23, Downer identified certain accounting adjustments in its Australian Utilities business involving historical misreporting of revenue and contract assets in one of Downer's maintenance contracts as outlined in prior reports. As a consequence, the Group identified accounting adjustments to prior periods, including financial year 2022 in relation to the measure of progress. The adjustments have been corrected by restating each of the affected financial statement line items for prior periods.

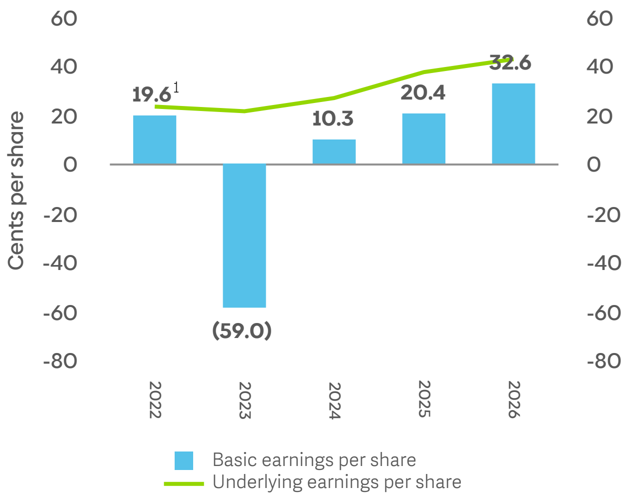
Net profit after tax



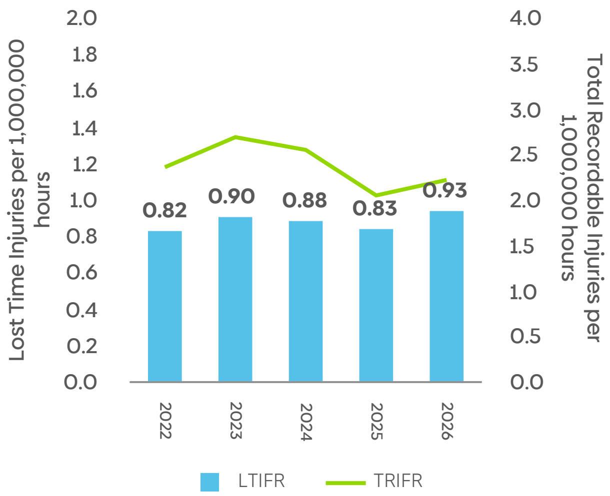
Funds from operations (FFO)



Basic earnings per share



Safety



1. Restated for certain accounting adjustment in its Australian Utilities business.
2. Adjusted for material transactions. 2022: $104.5 million net decrease; 2023: $184.0 million net decrease; 2024: $68.5 million net decrease; 2025: $61.9 million net decrease; 2026: $70.7 million net decrease.
3. Underlying FFO adjusted for cash impact of Individually Significant Items (ISI). 2026 FFO of $423.0 million is Operating cash flow of $503.3 million less investing cash flows of $75.7 million and $4.6 million of ISI cash flows. 2025 FFO of $575.2 million is Operating cash flow of $562.5 million less investing cash flow ($29.1 million) adjusted to add $41.8 million of ISI cash flows. 2024 FFO of $549.2 million is Operating cash flow of $544.1 million less investing cash flow ($29.3 million) adjusted to add $34.4 million of ISI cash flows. 2023 FFO of $56.5 million is Operating cash flow of $318.2 million less investing cash flow of $86.8 million and $174.9 million of ISI cash flows. 2022 FFO of $429.3 is Operating cash flow of $495.4 million add investing cash flow of $38.4 million less $104.5 million of ISI cash flows.

5. The Board's Role in Remuneration

The Board engages with shareholders, management and other stakeholders as required, to continuously refine and improve executive and Director remuneration policies and practices.

Two Board Committees deal with remuneration matters. They are the People and Culture Committee and the Nominations Committee.

The interaction with the Board, other committees, management, and other stakeholders is shown in the diagram below.

Consultation with shareholders and other stakeholders

- Management may seek its own independent advice with respect to information and recommendations relevant to remuneration.

Board

The Board is responsible for:

- Approving Downer's remuneration strategy
- Determining the quantum of remuneration for Non-executive Directors and MD & CEO.

The Board has overarching discretion with respect to any awards made under the Company's incentive plans.

Remuneration consultants and other external advisors

- Provide independent advice, information and recommendations relevant to remuneration decisions
- The PCC may seek independent advice from external advisors on various remuneration-related matters
- Any advice provided by external advisors is used to assist the Board – it is not a substitute for the Board and PCC procedures
- Each Committee has the authority to engage external professional advisors without seeking approval of the Board or management.

Management

- Provides information relevant to the remuneration decisions and makes recommendations to the PCC
- Obtains remuneration information from external advisors to assist the PCC (i.e. market data, legal, tax and accounting advice).

People and Culture Committee (PCC)

The PCC is delegated responsibility by the Board to review and, where relevant, make recommendations on:

- Executive remuneration and incentive policy
- Remuneration of senior executives of the Company
- Executive reward and its impact on risk management
- Executive incentive plans
- Equity-based plans
- Superannuation arrangements
- Recruitment, retention, performance and termination policies and procedures for all Key Management Personnel and senior executives reporting directly to the MD & CEO
- Disclosure of remuneration in the Company's public materials including ASX filings and the Annual Report
- Retirement payments for all Key Management Personnel and senior executives reporting directly to the MD & CEO.

As a carry over of the activities that commenced in FY25, in FY26, the PCC sought advice from Guerdon Associates (for remuneration quantum benchmarking for executives and NEDs) and EY (remuneration framework design). Advice by both Consultants was considered to be independent.

Nominations Committee is responsible for recommending and reviewing remuneration arrangements for the Executive Director and Non-executive Directors of the Company.

6. Description of Executive Remuneration

6.1 Executive remuneration structure

Executive remuneration has a fixed component and a variable component subject to performance outcomes.

Performance is assessed annually for performance periods covering one year and three years. Payment for performance assessed over one year is a Short Term Incentive (STI). Payment for performance over a three-year period is a Long Term Incentive (LTI).

In order for maximum STIs to be awarded, performance must achieve a stretch goal that is a clear margin above the business plan targets for the period. This enables the Company to attract and retain better-performing executives, and is aimed at aligning pay outcomes with shareholder returns.

Target STI is earned upon achievement of planned objectives. STI outcomes may be awarded up to a maximum of 133% of target STI, subject to performance exceeding target levels against the measures and criteria established under the STI framework. The maximum total remuneration that can be earned by an executive is capped. The maximums are determined as a percentage of fixed remuneration, shown in the table below (calculated on a face value basis).

Executive	Target STI% of fixed remuneration	Max STI % of fixed remuneration	Maximum LTI % of fixed remuneration	Maximum total performance-based pay as a % of fixed remuneration
Peter Tompkins	90	120	130	250
Malcolm Ashcroft	75	100	100	200

The proportions of STI to LTI take into account:

- Market practice, and are reviewed as part of periodic market benchmarking
- The service period before executives can receive equity rewards
- The behaviours that the Board seeks to encourage through direct key performance indicators
- The guideline for the MD & CEO and CFO to maintain a shareholding as a multiple of pay after long-term incentive and deferred short term incentive rewards have vested.

6.2 Remuneration benchmarking

Remuneration is benchmarked against roles of comparable scope and complexity across relevant industries, using independent market data sources. This market data is reviewed periodically, typically every two years, or more frequently where significant remuneration decisions are being considered. The benchmarking process supports the alignment of executive remuneration with market practice and assists in maintaining competitive remuneration arrangements.

The benchmarking approach takes into account the size, complexity and nature of Downer's operations, as well as relevant talent markets for key roles. Consideration is also given to individual factors, including location, economic conditions and prevailing remuneration trends. This approach supports Downer's ability to attract, retain and motivate high calibre executives.

As previously outlined, a comprehensive benchmarking exercise was undertaken in FY25 to inform remuneration adjustments for executives in FY26. Analysis was undertaken to determine an appropriate peer group, reflecting the limited number of direct listed competitors and the diverse range of market segments in which the Company operates. The resulting peer group comprised organisations predominantly within the Industrials and Materials sectors that were of comparable financial scale and provided a relevant reference point for executive remuneration benchmarking.

6.3 Fixed remuneration

Fixed remuneration is the sum of salary and the direct cost of providing employee benefits, including superannuation, motor vehicles, car parking, living away from home expenses and fringe benefits tax.

The level of remuneration is set to be able to retain proven performers and when necessary to attract the most suitable external candidates from secure employment elsewhere.

6.4 Short-term Incentive

The STI plan provides for an annual payment that varies with annual performance. This has been applied to performance measured over the Company's financial year to 30 June 2026.

6.4.1 STI tabular summary

The sections below describe the FY26 STI plan for executives covered by this Report. The same principles apply to senior leaders participating in the broader Company STI plan, with performance measures and targets tailored to and cascaded across their respective areas of responsibility.

Purpose of STI plan	The STI plan provides a link between organisational performance and remuneration outcomes: ▪ Focus performance on drivers of shareholder value over the financial year ▪ Improve Zero Harm and people-related results ▪ That remuneration varies with the Company's performance in the financial year ▪ Acts as retention mechanism for Executives through the deferral of a portion of awards earned.

Minimum performance 'gateways' before any payments can be made	▪ Achievement of a gateway based on 90% of budgeted Group NPATA
	▪ This minimum is set at a challenging level to justify the payment of STI to an executive and deliver an acceptable return for the funds employed in running the business
	▪ Positive and negative impacts from material but opportunistic transactions are excluded from gateway assessment. Whether to exclude the impact of significant items (positive or negative) is considered on a case by case basis
	▪ Further independent gateways apply to the Zero Harm element, as detailed below:
	  ▪ Should a workplace fatality occur, 100% of the Safety component of the scorecard is foregone
	  ▪ Should a serious environmental incident occur, 100% of the Environment element of the scorecard is foregone.

Target and Maximum STI that can be earned	▪ MD & CEO: target of 90% with maximum STI of up to 120% of fixed remuneration ▪ CFO: target of 75% with maximum STI of up to 100% of fixed remuneration.
Target and Maximum performance expectations	▪ Achievement of target performance against an STI measure results in 100% of the target STI opportunity being earned for that measure (which is equivalent to 75% of the maximum available outcome) ▪ STI outcomes above target are only available where performance exceeds target expectations. The maximum STI opportunity for executives is capped at 133% of target STI.
Individual Performance Modifier (IPM)	▪ An IPM may be applied based on an executive's individual key performance indicators and relative performance ▪ Moderate individual performance may result in an IPM of less than 1 or outstanding performance may result in an IPM greater than 1 ▪ For executives, application of an IPM cannot result in an award greater than the maximum STI% level set out in Section 6.1.
Performance period	▪ 1 July 2025 to 30 June 2026.
Performance assessed	▪ August 2026.
STI Deferral	▪ 50% of the award is deferred with the first tranche of 25% vesting one year following award and the second tranche of 25% vesting two years following award, subject to the satisfaction of a continued employment condition and a Board approval condition ▪ The deferred portion of the STI award will be converted to restricted share rights at the start of the deferral period, using Downer's VWAP share price for the 10 days following release of FY26 results. ▪ Each right entitles the participant to one ordinary share in the Company at the conclusion of the respective deferral periods, with no consideration payable.
Payment timing	▪ September 2026 for the first cash payment of 50% of the award ▪ The deferred components of the STI payments will vest one and two years following the award, in equal tranches of 25% of the award.

Form of payment	■ Cash for initial payment. ■ The value of the deferred components will be settled in shares ■ An eligible leaver's deferred components will be settled in shares or in cash at the sole and absolute discretion of the Board.
Dividend equivalent payments	■ Each tranche of the deferred STI will accrue dividend equivalent payments for any dividends (excluding the value of franking credits) declared during the deferral period. These payments reflect the value of dividends that would have been received if the shares delivered on vesting of the restricted rights had been held from the grant date.
Board discretion	The Board may exercise discretion to: ■ Vary STI payments by up to + or – 100% from the payment applicable to the level of performance achieved, up to the maximum for that executive ■ Reduce partly or fully the value of the deferred components that are due to vest in certain circumstances, including where an executive has acted inappropriately or where the Board considers that the financial results against which the STI performance measures were tested were incorrect in a material respect or have been reversed or restated ■ Settle deferred components in shares or cash, with the intended default approach being shares ■ Vary from policy in exceptional circumstances. However, any variation from policy and the reasons for it will be disclosed.
Malus and clawback	All or part of the deferred components that are due to vest may be reduced in value if the Board determines that an executive has committed an act of fraud, defalcation or gross misconduct or in other circumstances at the discretion of the Board.
Terminating executives	There is no STI entitlement where an executive's employment terminates prior to the end of the financial year. Where an executive's employment terminates prior to the vesting date, the unvested deferred components will be forfeited. However, the Board has retained discretion to vest deferred awards, in the form of shares or cash, in their ordinary course where the executive is judged to be an eligible leaver.

FY26 STI Performance requirements	Zero Harm, People and Portfolio and Performance measures, detailed below.
Zero Harm measures	Zero Harm reflects Downer's commitment to its customers, employees, regulators and the communities it serves. Performance is assessed on the following measures: **Safety Lag Indicators** ■ Total Recordable Injury Frequency Rate (TRIFR): the number of recordable injuries per million hours calculated over 12 months ■ Lost Time Injury Frequency Rate (LTIFR): the number of lost time injuries per million hours calculated over 12 months. **Critical Risk Assurance and Action Management** ■ Achievement of critical risk observation targets, which includes meeting monthly targets for critical risk observations ■ Observations evidence frontline engagement and the identification and assessment of critical control effectiveness ■ Maintaining an active program of audits and inspections ■ Addressing actions arising from high potential incidents. **Visible leadership and critical control improvement** ■ Design, implementation and delivery of an agreed critical control improvement program aimed at strengthening the effectiveness of the critical control framework and reducing the likelihood and impact of critical incidents. **Decarbonisation** ■ Development of an internally managed three-year Climate Change and Decarbonisation Plan, to support GHG emissions reductions to achieve Downer's near-term GHG emissions targets for Scope 1 and 2. A qualitative assessment of decarbonisation outcomes will be conducted, taking into account the actual results and contextual factors relevant to the performance year. ■ Achievement of a set percentage of absolute Scope 1 and 2 GHG emissions targets, as well as outcomes against specific GHG emissions reduction initiatives.
People measures	Performance is assessed against two employee engagement measures: **Employee engagement score** ■ Based on the organisation's engagement score from the employee engagement survey. ■ This measure is subject to a participation modifier, whereby outcomes may be adjusted downwards for participation below a threshold level, or adjusted upwards for participation above a target level. Survey participation remains a key focus to support the quality and reliability of survey results. The maximum payout available under the engagement measure cannot be exceeded following application of the participation modifier. **Employee engagement improvement action plans** ■ Assessment of the design, implementation and delivery of engagement action plans intended to improve employee engagement, support The Downer Difference and a high-performance culture. ■ Vesting above target for this component required achievement of at least threshold performance target in the engagement score, as well as engagement survey participation at or above an acceptable level. Where either condition was not met, outcomes are capped at target. The additional conditions against each measure were designed to reinforce focus on survey participation, engagement outcomes and the delivery of engagement improvement initiatives, while supporting appropriate alignment of reward outcomes with these objectives.

FY26 STI Performance requirements	Zero Harm, People and Portfolio and Performance measures, detailed below.
Portfolio and Performance measures	Performance is assessed on Group NPATA and Operating Cash performance against the budget. NPATA provides transparency on operational business performance, aligns with how Downer presents its results to the market and allows for easier understanding of alignment between performance and remuneration outcomes. The Board considers this approach to be appropriate as: ▪ The Board is the ultimate decision maker for transactions that give rise to acquired intangibles that result in the amortisation expense ▪ The impact of amortisation of acquired intangibles, which in nature relate to long-term strategic decisions, remains reflected in incentive outcomes through the EPS measure in the LTI plan. An EBITA margin performance modifier (ranging from 1.0x to 1.33x) which applies to the NPATA component reflects the importance of quality earnings, which is an important driver of delivering value for shareholders. The modifier applied to the scorecard outcome for the NPATA component, subject to an EBITA margin achievement. The application of the EBITA margin modifier is balanced with the following qualifiers: ▪ The Financial gateway (threshold NPATA) must still be achieved; ▪ A minimum target EBITA margin has to be reached before there is any modifier enhancement; and ▪ The maximum payment under the NPATA scorecard component cannot be exceeded. Operating Cash is included as a performance measure to reinforce disciplined cash management and efficient conversion of earnings into cash.

STI plan incentive calculation	Fixed remuneration	x	Target STI opportunity	x	Scorecard result	x	Individual Performance Modifier	=	STI payment

Weightings applied to the FY26 STI scorecard measures for executives are set out in the table below.

Group NPATA	Operating Cash	Zero Harm	People
35%[1]	30%	25%	10%[2]

1. Component is subject to an EBITA margin modifier as detailed above in section 6.4.1.
2. The Employee Engagement Score component (5% weighting) is subject to an engagement survey participation modifier as detailed above in section 6.4.1.

6.5. Long-term Incentive

6.5.1. LTI tabular summary

The sections below describe the FY26 LTI plan for executives covered by this Report. The same principles apply to senior leaders participating in the broader Company LTI plan

Purpose of LTI plan	The LTI plan provides a link between long-term organisational performance and remuneration outcomes: ■ Focus performance on drivers of shareholder value over a three-year period ■ Manage risk by countering any tendency to over-emphasise short-term performance to the detriment of longer-term growth and sustainability ■ Vary a part of remuneration with the Company's longer-term performance.
Maximum value of equity that can be granted	■ MD & CEO: 130% of fixed remuneration ■ CFO: 100% of fixed remuneration.
Performance period	■ 1 July 2025 to 30 June 2028 ■ Performance assessed August 2028.
Additional service period after performance period for shares to vest	■ Performance rights for which the relevant performance vesting condition is satisfied will not vest unless executives remain employed with the Group on 30 June 2029.
Performance rights vest	■ July 2029.
Form of award and payment	■ Performance rights.
Performance conditions	There are two performance conditions. Each applies to half of the performance rights granted to each executive. **Relative TSR (50% weighting)** The relative TSR performance condition is based on the Company's TSR performance relative to the TSR of companies comprising the ASX 100 index, excluding financial services companies, at the start of the performance period on 1 July 2025, measured over the three years to 30 June 2028. In addition, the absolute TSR must be greater than 0 to be eligible for any vesting under the TSR condition. The performance vesting scale that will apply to the performance rights subject to the relative TSR test is shown in the table below:

Downer EDI Limited's TSR Ranking	Percentage of performance rights subject to TSR condition that qualify for vesting
< 50th percentile	0%
50th percentile	50%
Above 50th and below 75th	Pro-rata straight line vesting between 50% and 100%
75th percentile and above	100%

EPS growth (50% weighting)

The EPS growth performance condition is based on the Company's compound annual EPS growth over the three years to 30 June 2028.

The performance vesting scale that will apply to the performance rights subject to the EPS growth test is shown in the table below:

Downer EDI Limited's EPS compound annual growth	Percentage of performance rights subject to EPS condition that qualify for vesting
<4%	0%
4%	30%
Above 4% to <9%	Pro-rata straight line vesting between 30% and 100%
9% or more	100%

Treatment of dividends and voting rights on performance rights	Performance rights do not have voting rights or accrue dividends.
How performance rights and shares are acquired	The rights are issued by the Company and held by the participant subject to the satisfaction of the vesting conditions. The number of rights held may be adjusted pro-rata, consistent with ASX adjustment factors, for any capital restructures. If the rights vest, they are exercised and converted into shares. which are normally acquired on-market. The Board retains the discretion to vest awards in the form of cash.
Restriction on hedging	Hedging of entitlements under the plan by executives is not permitted.
Restriction on trading	After vesting, any shares will remain subject to a trading restriction that is governed by the Company's Securities Trading Policy.
Ceasing executives	Where an executive ceases employment with the Group prior to the vesting date, the rights will be forfeited. However, the Board will retain the discretion to retain executives in the plan in certain circumstances including the death, total and permanent disability or retirement of an executive. In these circumstances, the Board will also retain the discretion to vest awards in the form of cash.
Change of control	On the occurrence of a change of control event and providing at least 12 months of the grants' performance period has elapsed, unvested performance rights pro-rated with the elapsed service period are tested for vesting with performance against the relevant relative TSR or EPS growth requirements for that relevant period. Vesting will occur to the extent the performance conditions are met. Performance rights that have already been tested, have met performance requirements and are subject to the completion of the service condition, fully vest.
Malus and clawback	All unvested performance rights will be forfeited if the Board determines that an executive has committed an act of fraud, defalcation or gross misconduct or in other circumstances at the discretion of the Board.

6.5.2. Post-vesting securityholding policy

The organisation reviewed and refreshed its minimum security holding policy in FY26 for the Executive KMP. The policy requirement has been developed to reinforce alignment with shareholder interests. Key terms under the refreshed policy include:

- In FY26, the minimum security holding requirement for the MD & CEO increased from 100% to 150% of fixed remuneration. The requirement for the CFO also increased from 50% of fixed remuneration to 75%.
- Until the minimum security holding is met, the MD & CEO and CFO are required to continue to hold:
  - 50% of any deferred award granted under the Company STI scheme in the form of equity;
  - 100% of any award granted under the Company LTI scheme. The Board can approve the disposal of a portion of these securities to cover tax liability.
- Once the MD & CEO and CFO have met their respective minimum security holding requirements, they must maintain the minimum security holding for as long as they remain in an Executive KMP role in the Company.
- Securities that count towards meeting the minimum security holding policy are securities in the Company that are:
  - Owned by the Individual, or their associated entities, each as defined in the *Corporations Act 2001* (Cth);
  - Owned through a company, trust or in a superannuation fund or otherwise held for the benefit of a person or entity referred to above; or
  - Performance rights which are granted under the Company STI and LTI programs which are subject to a time-based hurdle only.

The Board retains the right to vary from policy in exceptional circumstances. However, any variation from policy and the reasons for it will be disclosed.

The MD & CEO has met his respective minimum shareholding requirement and the CFO continues to build his shareholding position.

The MD & CEO and CFO are due to receive an allocation of shares in the Company in September 2026 following vesting of their first deferred portion of the FY25 STI and second deferred portion of the FY24 STI, and vesting of the FY23 LTI plan in the case of the MD & CEO, which will contribute toward their respective minimum security holding requirements.

6.6 Treatment of major transactions

Downer has a long history of strategic mergers, acquisitions and divestments. On each occasion, the Board considers the impact of these transactions. Where a transaction is both material and unbudgeted, the Board considers whether it is appropriate to adjust for its impact on the key performance indicators on which executive performance is measured. The objective of any adjustment is that opportunities to add value through an opportunistic divestment or acquisition should not be fettered by consideration of the impact on incentive payments. That is, executives should be 'no better or worse off' as a result of the transaction. No adjustments are made for market reactions to a transaction as the Board believes that management is accountable for those outcomes.

The Board considers this approach to be appropriate so that:

- Executives and the Board consider these transactions solely based on the best interests of Downer
- Executives remain accountable for transaction execution and post-transaction performance from the next budget cycle
- Executives complete opportunistic transactions that are in the long-term interests of shareholders
- It is consistent with the Board's long-term view when considering the value of major transactions to Downer's shareholders
- Downer remains agile and responsive in managing its portfolio by pursuing opportunities as and when they emerge rather than being constrained by the annual budget process.

In assessing Zero Harm performance of executives, the results of acquired businesses are excluded for a period of 12 months post acquisition so management is accountable for the objectives set in the annual business planning process. While implementing the Downer's Zero Harm framework (including systems, process, definitions and measurement and reporting methods) is a key priority as part of any acquisition, it is recognised that there is a period, during which the focus is on the integration. Where this transition to Downer's framework takes place over a longer period due to the complexity of the implementation or the maturity profile of the acquired business, the Board will consider an extension to a more appropriate period.

6.7 Treatment of significant items

From time to time, Downer's performance is impacted by significant items. Where these occur, the Board considers whether to adjust for their impact (positive or negative) on a case by case basis, having regard to the circumstances relevant to each item and aligning with the principle that executives are no better or worse off as a result of significant items.

The Board considers this approach to be appropriate so that executives are held accountable for the delivery of the annual budget and business plan and that executives and the Board make decisions solely based on the best interests of Downer. Decisions made in relation to business reorganisation and restructuring are assessed appropriately in a transformation period so that executives responsible for transformation programs are not penalised for making decisions in the longer-term best interests of the Company and shareholders.

7. Details of Executive Remuneration

7.1 Remuneration received in relation to the 2026 financial year (non-IFRS)

Executives receive a mix of remuneration during the year, comprising fixed remuneration, an STI paid in cash, deferred STI that is typically awarded as shares (or may be cash settled in certain instances), and an LTI in the form of performance rights that vest four years later, subject to meeting performance and continued employment conditions.

The table below lists the remuneration actually received in relation to the 2026 financial year, comprising fixed remuneration, cash STIs relating to 2026, deferred STIs payable in 2026 in respect of prior years and the value of LTI grants that vested during the 2026 financial year. This information differs to that provided in the statutory remuneration table at section 7.2 which shows the accounting expense for share-based payment of LTIs and deferred STIs determined in accordance with accounting standards rather than the value of LTI grants and deferred STIs that vested during the year.

	Fixed Remuneration[1]	Cash Incentive paid or payable in respect of current year[2]	Deferred Incentive paid or payable in respect of prior years[3]	Other benefits[4]	Total payments	LTI that vested during 2026[5]	Total remuneration received
	$	$	$	$	$	$	$
P J Tompkins	1,643,750	669,858	586,946	106,718	3,007,272	–	3,007,272
M R Ashcroft	1,000,000	333,263	306,697	9,260	1,649,220	–	1,649,220
	2,643,750	**1,003,121**	**893,643**	**115,978**	**4,656,492**	**–**	**4,656,492**

1. Fixed remuneration comprises salary and fees, payment of leave entitlements, non-monetary benefits and superannuation payments.
2. Cash Bonus paid or payable in respect of current year represents cash payments in relation to the 2026 financial year.
3. Deferred Incentive represents the deferred incentive amount to be paid in September 2026, being the second deferred component of the 2024 award and first deferred component of the 2025 award.
4. Other benefits represents the net leave (annual leave and long service leave) accrual movements from 1 July 2025 to 30 June 2026.
5. No prior year LTI awards vested during FY26.

7.2 Remuneration of executive key management personnel required under the Corporations Act 2001 (Cth)

		Short-term employee benefits			Long-term employee benefit	Post-employment benefits					
	Year	Salary and fees	Cash Incentive paid or payable in respect of current year[1]	Non-monetary[2]	Other long-term benefits[3]	Super-annuation	Other benefits	Termination Benefits	Subtotal	Share-based payment transactions[4]	Total
		$	$	$	$	$	$	$	$	$	$
P J Tompkins	**2026**	1,592,324	669,858	65,286	62,858	30,000	–	–	2,420,326	2,161,547	4,581,873
	2025	1,498,642	755,238	56,516	24,759	29,932	–	–	2,365,087	1,242,042	3,607,129
M R Ashcroft	**2026**	970,000	333,263	283	8,977	30,000	–	–	1,342,523	903,444	2,245,967
	2025	953,401	431,077	(7,270)	3,597	29,932	–	–	1,410,737	536,815	1,947,552
Total	**2026**	**2,562,324**	**1,003,121**	**65,569**	**71,835**	**60,000**	**–**	**–**	**3,762,849**	**3,064,991**	**6,827,840**
	2025	2,452,043	1,186,315	49,246	28,356	59,864	–	–	3,775,824	1,778,857	5,554,681

1. Cash Bonus paid or payable in respective year represents cash payments in relation to the respective financial year. These comprise the 50% cash component of the award.
2. This represents the net annual leave accrual movements from 1 July 2025 to 30 June 2026 and salary sacrifice items where applicable (novated lease and Downer2You donations, our Workplace Giving Program).
3. This includes the net movement in Long Service Leave provision over the reporting period.
4. This represents AASB 2 Share-based payments in relating to:
   - In 2026 relating to deferred shares of P J Tompkins of $803,116 and M R Ashcroft of $409,632 and performance rights.
   - In 2025 relating to deferred shares of P J Tompkins of $489,122 and M R Ashcroft of $255,581 and performance rights
   - Performance rights represent the fair value of vested and unvested equity expensed during the period incentives and the probability of the incentives vesting, related to grants made to the executive, as outlined in section 8.2. Vesting of the majority of securities remains subject to significant performance and service conditions as outlined in section 6.5.

7.3. Performance related remuneration

7.3.1 Performance outcomes required under the Corporations Act 2001 (Cth)

The table below lists the proportions of remuneration paid during the year ended 30 June 2026 that are performance and non-performance related and the proportion of STIs that were earned during the year ended 30 June 2026 due to the achievement of the relevant performance targets.

	Proportion of 2026 remuneration		2026 Short-term incentive	
KMP executives	Performance Related %	Non- Performance Related %	Paid %	Forfeited %
P J Tompkins	62	38	67	33
M R Ashcroft	55	45	67	33

7.3.2. FY26 Group STI Scorecard and Outcomes

Planning and budgeting process and linkage to STI targets

Downer maintains a structured and Board-approved planning, budgeting and forecasting framework, established under The Downer Standard. This Standard is designed to allow for a disciplined and consistent approach to strategy and financial planning which are aligned to targets used for remuneration. Key elements of this process are summarised below.

Group Strategy

The Group Strategy provides the overarching foundation for the budgeting process. It defines the markets in which the Group operates, its capital allocation priorities and key investment decisions.

The Strategy is focused on sustainable value creation for shareholders through disciplined growth, operational efficiency and portfolio optimisation.

All business unit strategies are required to be aligned to, and consistent with, the Group Strategy.

The Strategy also outlines the key initiatives and actions required to deliver targeted outcomes, forming the basis for subsequent planning and budgeting activities.

Business Plan

An annual Business Plan is prepared by management and reviewed and approved by the Board. The Business Plan:

- articulates the strategic priorities of the Group and its business units;
- considers market conditions and key assumptions; and
- sets out a forward-looking financial outlook.

The Business Plan supports the Board's assessment and determination of appropriate financial metrics to be applied in the annual Budget and remuneration framework.

Annual Budget

The annual Budget is developed with direct reference to the Group Strategy and approved Business Plan. Financial targets are established to align with strategic objectives and to support the delivery of sustainable financial performance. The budgeting process incorporates:

- alignment between strategy and financial targets;
- disciplined capital allocation to operational requirements, growth initiatives and capability development; and
- consideration of productivity, efficiency and margin improvement initiatives.

The Group Strategy, annual Business Plan and Budget, each approved by the Board, are integrated to establish aligned financial targets used for incentive purposes, with performance directly linked to strategic objectives, capital allocation priorities and sustainable value creation for shareholders.

FY26 STI scorecard and outcomes

Performance is assessed for each scorecard measure based on the actual outcomes compared to the performance levels defined below.

The scorecard measures are Downer's priorities and performance requirements are set at challenging levels to drive organisational performance and continued improvement of the business.

The minimum earnings performance gateway was achieved by KMP, meaning the STI scorecard opened for FY26.

The STI outcome achieved for each measure is set out in the table below.

Element	Measure	Description	Weighting %	Min	Target	Max	Modified Outcome % of Max
Safety	Achieve Defined Safety KPIs[1]	Achieve TRIFR below 3.0	15				0.0
		Achieve LTIFR below 0.9					
		Critical Risk Assurance					
		Visible Leadership and Critical Control Improvement					
Sustainability	Decarbonisation	Group's Scope 1 and 2 GHG emissions performance	10				3.0
People	Employee engagement	Employee engagement score[2]	5				2.8
		Employee engagement improvement initiatives	5				4.7
Portfolio and Performance	Net Profit After Tax and before Amortisation of acquired intangibles	Achieve NPATA of \$270.0 million to \$360.0 million with a target of \$300.0 million	35				31.9
	EBITA margin modifier	*Achieve an EBITA margin modifier between 4.8% to 5.3%*	*Applies to the NPATA measure*			*1.2*	
	The NPATA outcome is 26.6 with the final result of 31.9 reflecting the application of the EBITA margin modifier						
	Operating Cash	Achieve Operating Cash of \$481.6 million to \$642.1 million with a target of \$535.1 million	30				24.2
Total scorecard result - % of Maximum							**66.6%**

1. While the underlying safety result would have been between target and maximum, the safety component of the scorecard was reduced to nil as a result of the fatality that occurred in FY26.
2. Includes an Engagement score participation modifier at 1.25x.

For 2026, the IPM applied to each member of the executive KMP remained at 1.

7.3.3 Deferred STI Outcomes

Under the terms of the plan, 50% of the STI outcome is delivered in cash and 50% is deferred in two equal tranches, vesting after 12 months and 24 months, respectively. Details of deferred STI awards relating to FY26, together with deferred awards remaining on foot from prior years, are set out below.

	Plan	Total Award	Cash Award	First deferred portion	Second deferred portion
KMP executives		$	$	$	$
P J Tompkins	FY24 STI[1]	837,310	418,655	209,328	209,327
	FY25 STI[2]	1,510,475	755,238	377,619	377,618
	FY26 STI[3]	1,339,715	669,858	334,929	334,928
M R Ashcroft	FY24 STI[1]	364,635	182,318	91,159	91,158
	FY25 STI[2]	862,153	431,077	215,539	215,537
	FY26 STI[3]	666,525	333,263	166,631	166,631

1. First deferred portion awarded in September 2025 and second deferred portion to be awarded in September 2026
2. First deferred portion to be awarded in September 2026 and second deferred portion to vest in September 2027
3. First deferred portion to vest in September 2027 and second deferred portion to vest in September 2028

As outlined in Section 1, the FY26 deferred STI award will be delivered as Restricted Rights. The number of Restricted Rights will be granted in September 2026, using Downer's volume weighted average share price over the 10 trading days following the release of FY26 results.

7.3.4 LTI performance outcomes

The table below summarises LTI performance measures tested and the outcomes for each executive.

Relevant executives[1]	Relevant LTI measure	Performance outcome	% LTI tranche that vested[3]
P J Tompkins	**2023 plan – performance period 1 July 2022 to 30 June 2025**		
	TSR tranche – percentile ranking of Downer's TSR relative to the constituents of the ASX 100 (excluding financial services companies) over a three-year period.	Actual performance ranked at the 59th percentile based on a TSR result of 37.7%.	55.8% vested, contributing to 18.6% to the overall outcome.
	EPS tranche – compound annual earnings per share growth against absolute targets over a three-year period.	Three-year EPS CAGR of 6.7% (FY22: 31.0c, FY25: 37.6c).	53.3% vested, contributing to 17.8% to the overall outcome.
	Scorecard tranche – sustained NPATA and FFO performance against budget over a three-year period.	Actual performance was 88.7% for NPATA and 118.2% for FFO.	50% vested, contributing to 16.7% to the overall outcome.
	Total Outcome		**53.0%**
P J Tompkins and M R Ashcroft	**2024 plan – performance period 1 July 2023 to 30 June 2026[2]**		
	TSR tranche – percentile ranking of Downer's TSR relative to the constituents of the ASX 100 (excluding financial services companies) over a three-year period.	Actual performance ranked at the 96th percentile based on a TSR result of 133.3%.	100% provisionally qualified, contributing to 33.3% to the overall outcome.
	EPS tranche – compound annual earnings per share growth against absolute targets over a three-year period.	Three-year EPS CAGR of 12.6% (FY23: 30.0c, FY26: 42.9c).	100% provisionally qualified, contributing to 33.3% to the overall outcome.
	Scorecard tranche – sustained NPATA and FFO performance against budget over a three-year period.	Actual performance was 100.5% for NPATA and 144.5% for FFO.	83.3% provisionally qualified, contributing to 27.8% to the overall outcome.
	Total Outcome		**94.4%**

1. Relevant executives refers to members of the KMP who are participants in the plan tested.
2. Test outcomes for the 2024 plan are provisional and will be confirmed following release of the Company's audited 2026 results.
3 In some instances, totals may not add due to rounding.

7.4 Major transactions and significant items

During the year there were individually significant items that included major transactions and individual items that had a significant impact that are one-off or non-recurring in nature. The Board considers such items at the end of each performance period and whether it is appropriate to adjust for their impact on incentive outcomes. These items, identified as qualitatively non-underlying and/or one-off in nature including those that form part of the transformation, highlight the importance of striking the right balance to enable management to progress strategy implementation and transformation to set the business up for sustainable growth, despite short-term cost and capital implications.

7.4.1. Major transactions

Divestments during the year are included in significant items 7.4.2 below.

7.4.2. Individually significant items

During the year, there were several significant items categorised as follows:

Item	Description
Divestment and exit costs	Divestment and exit costs includes: net gain on disposal of our 49% interest in Keolis Downer to the Keolis Group; loss on exit of an Australian cleaning and catering contract within Facilities as part of portfolio simplification strategy to exit single service line Cleaning and Catering businesses; loss on sale of the New Zealand Cleaning business as part of the ongoing strategy to simplify the Facilities business and focus on core markets; and, net gain from the transfer and demobilisation of the Power Maintenance Contract which completed in July 2025 within Energy & Utilities involving transfer of employees, assets and sites.
Transformation and restructuring costs	Transformation and restructure costs represent costs incurred in relation to Downer's Transformation program to restructure its operating model and to identify opportunities for overhead savings from improved alignment and role clarity between the Corporate and Business Unit organisation structures.
Regulatory reviews and legal matters	Regulatory review and legal matters costs were incurred in relation to Downer's defence against actions filed against the Company, including shareholder class actions filed in early 2023 and the action filed by the Australian Competition and Consumer Commission (ACCC) in December 2024. These costs also relate to regulatory reviews, undertakings related business conduct reviews and investigations, and costs associated with defending and settling historical long dated warranty claims associated with businesses no longer in operation.
Impairment, asset write-downs and other	Impairment charges that relate to a Rail site in the Transport segment, impairment charges related to two asphalt plants within the Transport segment, accelerated amortisation in relation to IT assets and discontinuation of IT development programs and impairment of right-of-use assets where office space has been consolidated as part of the Group's transformation program.

In assessing performance, the Board exercises its judgement in evaluating the quality of results including the nature of significant items and whether there should be any adjustments considered for remuneration purposes. See Note B3 of the Annual Report and the Investor Presentation for a reconciliation between statutory and underlying results.

7.4.3. Impacts from Individually Significant Items

With FY26 seeing the program of portfolio simplification and risk reset largely complete and a continuing focus on planned transformation initiatives, the Board examined a wide range of matters impacting NPATA and Operating Cash Flow arising from these programs to determine ISIs that reflect the underlying performance of management and the business. This approach aligns to the principle that the executives are 'no better or worse off' as a result of the transactions and significant items so that performance is measured against delivery of the Company's strategy and business plan.

The following table summarises the FY26 ISIs:

Measure	Adjustment
NPATA	Exclusion of $98.7 million before tax (refer Note B3 for further details on Individually Significant Items) comprising: ▪ $6.1 million net gain on divestments and exit costs ▪ $24.0 million regulatory reviews and legal matter costs ▪ $46.9 million transformation and restructuring costs, comprising: $30.3 million employee benefits expense and $16.6 million other expenses ▪ $33.9 million impairment and other asset write-downs, comprising: $21.2 million impairment charges; $4.3 million accelerated amortisation and $8.4 million of other expenses. Exclusion of associated tax benefit of $30.2 million. Total adjustment to NPATA of $68.5 million.
Operating cash	Exclusion of cash inflows and outflows before tax: ▪ Net inflow $13.3 million for divestment gains and exit costs ▪ Outflow $16.3 million for regulatory reviews and legal matters ▪ Outflow $51.2 million for transformation and restructuring costs. ▪ Outflow of $2.0 million for assets impaired and written down, and other costs. Total adjustment to Operating Cash of outflow $56.2 million.
EPS	The use of NPAT adjusted as set out above.
TSR	No adjustments were made.

7.4.4. Future periods

For major transactions completed in 2026, the impact on operational performance is included in the FY26 budget and accordingly no adjustments are expected in respect of FY26 operational performance.

7.5. Variations from policy

There were no variations from policy in FY26.

8. Executive Equity Ownership

8.1 Ordinary shares

KMP equity holdings in fully paid ordinary shares and performance rights issued by Downer EDI Limited are as follows:

	Ordinary shares			Performance rights		
	Balance at 1 July 2025	Net change	Balance at 30 June 2026	Balance at 1 July 2025	Net change	Balance at 30 June 2026
2026	No.	No.	No.	No.	No.	No.
P J Tompkins	330,483	15,350	345,833	1,075,076	192,338	1,267,414
M R Ashcroft	–	6,685	6,685	292,718	138,908	431,626
Total	**330,483**	**22,035**	**352,518**	**1,367,794**	**331,246**	**1,699,040**

8.2 Performance rights

As outlined in section 6.5.1, the LTI plan for the 2026 financial year is in the form of performance rights.

The following table shows the number of performance rights granted by Downer EDI Limited and percentage of performance rights that vested or were forfeited during the year for each grant that affects compensation in this or future reporting periods.

	2023 Plan			2024 Plan		
	Number of performance rights[1]	% vested	% forfeited	Number of performance rights[2]	% provisionally vested	% forfeited
KMP executives						
P J Tompkins	234,479	53.0	47.0	480,448	94.4	5.6
M R Ashcroft	–	–	–	160,944	94.4	5.6

1. Grant date 4 July 2024 being FY25. Expiry date is 1 July 2026. The fair value of shares granted was \$4.30 per share for the EPS and Scorecard tranches and \$1.17 per share for the TSR tranche.
2. Grant date 4 July 2024 being FY25. Expiry date is 1 July 2027. The fair value of shares granted was \$4.09 per share for the EPS and Scorecard tranches and \$2.80 per share for the TSR tranche.

	2025 Plan			2026 Plan		
	Number of performance rights[1]	% vested	% forfeited	Number of performance rights[2]	% vested	% forfeited
KMP executives						
P J Tompkins	360,149	–	–	302,473	–	–
M R Ashcroft	131,774	–	–	138,908	–	–

1. Grant date 18 December 2024. Expiry date is 1 July 2028. The fair value of shares granted was \$4.60 per share for the EPS and Scorecard tranches and \$3.00 per share for the TSR tranche.
2. Grant date 27 February 2026. Expiry date is 1 July 2029. The fair value of shares granted was \$7.57 per share for the EPS tranche and \$6.09 per share for the TSR tranche.

The maximum number of performance rights that may vest in future years that will be recognised as share-based payments in future years is set out in the table below:

Maximum number of performance rights for the vesting year for current Executive

KMP executives	2027[1]	2028	2029
P J Tompkins	453,703	360,149	302,473
M R Ashcroft	151,985	131,774	138,908

1. Test outcomes for the 2024 LTI plan are provisional and will be confirmed following release of the Company's audited 2026 results.

The maximum expense for performance rights that may vest in future years that will be recognised as share-based payments in future years is set out in the table below . The amount reported is the value of share-based payments calculated in accordance with AASB 2 *Share-based Payment* over the vesting period.

KMP executives	2027[1] $	2028 $	2029 $
P J Tompkins	1,212,847	882,624	516,473
M R Ashcroft	481,777	371,156	237,185

1. Test outcomes for the 2024 LTI plan are provisional and will be confirmed following release of the Company's audited 2026 results.

8.3 Remuneration consultants

Guerdon Associates and EY were engaged by the Board's People and Culture Committee to provide remuneration advice in relation to executive KMP. Guerdon Associates also provided advice in relation to NED fee benchmarking. These engagements commenced in FY25 and concluded in Q1 FY26.

Neither consultant provided the Board's People and Culture Committee with remuneration recommendations as defined under Division 1, Part 1.2, 9B (1) of the *Corporations Act 2001* (Cth). The Board was satisfied that advice received was free from any undue influence by KMP to whom the advice may relate.

9 Key Terms of Employment Contracts

9.1 Notice and termination payments

Executives are on contracts with no fixed end date.

The following table captures the notice periods applicable to termination of the employment of executives.

	Termination notice period by Downer	Termination notice period by employee	Termination payments payable under contract
MD & CEO	12 months	12 months	12 months
CFO	6 months	6 months	6 months

Downer can elect to either require executives to provide service during their notice period or make a payment in lieu.

Termination payments are calculated based upon total fixed remuneration at the date of termination. No payment is made for termination due to gross misconduct.

9.2 Managing Director and Chief Executive Officer of Downer's employment agreement

9.2.1. P J Tompkins

Mr Tompkins was appointed as the MD & CEO of Downer commencing on 27 February 2023. The following table sets out the key terms of the Managing Director's employment agreement and remuneration arrangements during FY26 and FY27.

Term	Until terminated by either party.
Fixed remuneration	FY26: $1.675 million per annum FY27: $1.675 million per annum Fixed remuneration includes superannuation and non-cash benefits.
STI opportunity	Mr Tompkins is eligible to receive an annual STI. The target STI opportunity is set at 90% of fixed remuneration, with the opportunity to earn up to a maximum of 120% of fixed remuneration. Any entitlement to an STI is at the discretion of the Board, having regard to performance measures and targets developed in consultation with Mr Tompkins including Downer's financial performance, safety, people, environmental and sustainability targets and adherence to risk management policies and practices. The Board also retains the right to vary the STI based on its assessment of performance. The STI deferral arrangements in place for KMP apply to Mr Tompkins. There is no STI entitlement where the MD & CEO's employment terminates prior to the end of the financial year, other than in the event of a change in control or by mutual agreement.
LTI opportunity	Mr Tompkins is eligible to participate in the annual LTI plan and the value of the award is 130% of fixed remuneration. Mr Tompkins' performance requirements have been described in section 6.5. In the event of a change of control, providing at least 12 months of a grant's performance period have elapsed, unvested shares and performance rights pro-rated with the elapsed service period are tested for vesting with performance against the relevant hurdles for that period and vest, as appropriate. Shares that have already been tested, have met performance requirements, and are subject to the completion of the service condition, fully vest.
Termination	Mr Tompkins can resign: a. By providing 12 months' written notice; or b. By providing 30 days' written notice in circumstances where there is a fundamental change in his role or responsibilities. In these circumstances, Mr Tompkins is entitled to a payment in lieu of 12 months' notice. Downer can terminate Mr Tompkins' employment: c. Immediately for misconduct or other circumstances justifying summary dismissal; or d. By providing 12 months' written notice. When notice is required, Downer can make a payment in lieu of notice of all or part of any notice period (calculated based on Mr Tompkins' fixed annual remuneration). If Mr Tompkins resigns he will be subject to a 12-month post-employment restraint in certain areas where the Downer Group operates, where he is restricted from working for competitive businesses.
Other	The agreement contains provisions regarding leave entitlements, duties, confidentiality, intellectual property, moral rights and other facilitative and ancillary clauses. It also contains provisions regarding corporate governance and a provision dealing with the Corporations Act 2001 (Cth) limits on termination benefits to be made to Mr Tompkins.

10 Related Party Information

10.1 Transactions with other related parties

Transactions entered into during the year with Directors of Downer EDI Limited and the Group are within normal employee, customer or supplier relationships on terms and conditions no more favourable than dealings in the same circumstances on an arm's length basis and included:

- The receipt of dividends from Downer EDI Limited
- Participation in the Long-Term Incentive Plan
- Terms and conditions of employment
- Reimbursement of expenses.

A number of Directors of the Company hold directorships in other entities. Several of these entities transacted with the Group on terms and conditions no more favourable than those available on an arm's length basis.

11 Description of Non-executive Director Remuneration

11.1 Non-executive Director remuneration policy

Downer's Non-executive Director remuneration policy is to provide fair remuneration that is sufficient to attract and retain Directors with the experience, knowledge, skills and judgement to steward the Company.

Fees for Non-executive Directors are fixed and are not linked to the financial performance of the Company. The Board believes this is necessary for Non-executive Directors to maintain their independence.

Non-executive Directors are not entitled to retirement benefits. Shareholders last approved an annual aggregate cap of $2.4 million for Non-executive Director fees at the 2022 AGM. The allocation of fees to Non-executive Directors within this cap has been determined after consideration of a number of factors, including the time commitment of Directors, the size and scale of the Company's operations, the skill sets of Board members, the quantum of fees paid to Non-executive Directors of comparable companies and participation in Board Committee work.

The basis of fees and the fee pool are reviewed when new Directors are appointed to the Board, when the structure of the Board changes, or at least every three years. Reference is made to individual Non-executive Director fee levels and workload (i.e. number of meetings and the number of Directors) at comparably sized companies from all industries other than the financial services sector, and the fee pools at these companies. In addition, an assessment is made on the extent of flexibility provided by the fee pool to recruit any additional Directors for planned succession after allocation of fees to existing Directors.

11.1.1 FY26 NED fee review

With the last NED fee review having occurred in 2022 and as foreshadowed in the FY25 Remuneration Report, the Board undertook a comprehensive review of NED fees during FY26. As part of this process, the Board engaged Guerdon Associates to provide independent benchmarking of both the aggregate fee pool and individual NED fee levels.

Following this review, the Board approved adjustments to NED fees within the existing aggregate fee pool cap. These adjustments are intended to allow greater alignment with market benchmarks, appropriately recognise the responsibilities of NED roles, and support the Company's capacity to attract and retain high-calibre Directors. The revised Board and Sub-Committee fees, effective from 1 October 2025, are set out below. These changes broadly represent annualised increases of approximately 2.5% across most roles since the previous fee review in July 2022.

	Chair	Committee members
Board		
	$490,000 (+7.9% on previous July 2022 review)	**$195,000** (+8.3% on previous July 2022 review)
Board Sub-Committees		
Audit & Risk	**$46,000** (+5.7% on previous July 2022 review)	**$22,000** (+10.0% on previous July 2022 review)
People & Culture, Project Governance and Zero Harm Committees (each)	**$38,000** (+8.6% on previous July 2022 review)	**$19,000** (+8.6% on previous July 2022 review)

Following the completion of the review outlined above, the Board does not intend to undertake a further review of NED fees in FY27.

11.2 Non-executive Director minimum security holding policy

The minimum security holding policy for Non-executive Directors which has been effective from 1 July 2023 continues to apply.

Under the policy, the Chair and each Non-executive Director are required to establish and maintain a minimum security holding equal to or greater than 100% of their annual base fee as at the date of their appointment as a Director. The value of the Non-executive Director's security holding is the higher of the acquisition cost or market value. The requirement is to be met within four years after the latter of the date of their appointment or the commencement of the Policy.

The guideline requirement has been developed to reinforce alignment with shareholder interests. The Board retains the right to vary from policy in exceptional circumstances.

11.3 Non-executive Directors' remuneration

The table below sets out the remuneration paid to Non-executive Directors for FY26 and FY25. The total fees paid in FY26 was $2.0 million (FY25: $1.7 million).

		Short-term employee benefits			Post-employment benefits		
	Year	Board Fee $	Committee Fee $	Total Fees $	Super-annuation $	Termination Benefits $	Total $
M J Menhinnitt	2026	451,000	–	451,000	30,000	–	481,000
	2025	424,068	–	424,068	29,932	–	454,000
P A Barker	2026	170,759	73,772	244,531	29,344	–	273,875
	2025	161,435	58,147	219,582	25,252	–	244,834
S A Broadbent	2026	185,355	72,203	257,558	8,192	–	265,750
	2025	174,659	67,923	242,582	7,418	–	250,000
A Carey[1]	2026	116,071	22,619	138,690	16,643	–	155,333
	2025	–	–	–	–	–	–
K J Gleeson[1]	2026	143,973	28,343	172,316	20,678	–	192,994
	2025	–	–	–	–	–	–
T G Handicott[1,2]	2026	59,766	12,488	72,254	8,671	–	80,925
	2025	161,435	33,632	195,067	22,433	–	217,500
A M Howse	2026	170,759	52,455	223,214	26,786	–	250,000
	2025	161,435	49,327	210,762	24,238	–	235,000
S J MacDonald	2026	170,759	69,085	239,844	28,781	–	268,625
	2025	161,435	62,407	223,842	25,742	–	249,584

1. Amounts represent the payments relating to the period during which the individual was a Non-executive Director. A Carey and K Gleeson commenced on 1 November 2025 and 1 September 2025, respectively.
2. T G Handicott ceased to be a Non-executive Director on 11 November 2025.

11.4 Equity held by Non-executive Directors

The table below sets out the equity in Downer held by Non-executive Directors for the 2026 financial year.

	Holding (No of Securities)			Minimum Shareholding Requirement	
	Balance at 1 July 2025 No.	Net change No.	Balance at 30 June 2026 No.	MSHR Status[1]	MSHR Assessment date[2]
M J Menhinnitt	92,748	–	92,748	Met	Jul-27
P A Barker	10,500	16,531	27,031	Met	Jul-28
S A Broadbent	7,590	15,000	22,590	Met	Oct-27
T G Handicott[3]	31,000	–	31,000	n/a	n/a
A M Howse	32,885	–	32,885	Met	Jul-27
S J MacDonald	29,852	–	29,852	Met	Sep-27
K J Gleeson	–	–	–	Progressing	Sep-30
A Carey	–	10,000	10,000	Progressing	Nov-30

1. The MSR is assessed by the higher of the acquisition cost or the current market value (derived by multiplying the number of holdings at the end of the period by Downer's 30 June 2026 closing price of $8.05).
2. The MSHR for Non-Executive Directors is equal to 100% of base fees (excluding superannuation or equivalent compulsory retirement contributions) and is first assessed four years from the date of appointment or the date of policy commencement, whichever is later.
3. Balance as at 30 June 2026 for T G Handicott represents the number of shares held as at retirement date 11 November 2025.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001* (Cth).
On behalf of the Directors.

Mark Menhinnitt
Chair

Sydney, 20 August 2026

Auditor's Independence Declaration

for the year ended 30 June 2026

Auditor's Independence Declaration

As lead auditor of Downer EDI Limited's financial report and lead auditor of the specified sustainability disclosures within the sustainability report for the year ended 30 June 2026, respectively, we each declare that, having regard to our responsibilities in relation to the respective audit of the financial report and review of the specified sustainability disclosures within the sustainability report, to the best of our knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the respective audit of the financial report or the review of the specified sustainability disclosures; and

b) no contraventions of any applicable code of professional conduct in relation to the respective audit of the financial report or the review of the specified sustainability disclosures.

JReilly

Jane Reilly
Lead auditor (financial report)
Partner
PricewaterhouseCoopers

C. Mara

Caroline Mara
Lead auditor (sustainability report)
Partner
PricewaterhouseCoopers

Sydney
20 August 2026

PricewaterhouseCoopers, ABN 52 780 433 757
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Independence Auditor's Report

for the year ended 30 June 2026

Independent auditor's report

To the members of Downer EDI Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Downer EDI Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 30 June 2026; and
- the directors' declaration.

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

Independence

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

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor, or component auditors from other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial report as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Recognition of revenue and related contract assets Refer to note B2 Revenue, and note C2 Trade receivables and contract assets. As described in Note B2 to the consolidated financial statements, the Group recognises revenue from rendering of services and construction contracts amongst others across the Group. For construction contracts and some rendering of services, the Group recognises revenue using the measure of progress that best reflects the Group's performance in satisfying the performance obligation over time. There are certain key estimates that drive the measurement of the Group's revenue and resulting contract assets and their recognition in the consolidated financial statements. These key estimates include: • Determining the stage of completion based on a percentage of costs to complete, which requires an estimate of expenses incurred to date as a percentage of total estimated cost; • Recognition of contract modifications, such as unapproved variations and claims, to the extent they are approved or enforceable under the contract and the amount of revenue is recognised to the extent it is highly probable that a significant reversal will not occur; • Variable consideration which the Group recognises as revenue only when it is highly probable that a significant reversal of that revenue will not occur, in accordance with AASB 15 *Revenue from contracts with customers*; and	Our audit procedures, included but were not limited to the following: • Developed an understanding of, and evaluated the design and implementation of the key controls associated with the recognition and measurement of revenue; • Developed an understanding of the key systems underpinning the accounting for rendering of services and construction contract revenue and the related contract assets, and the relevant business process controls; • Considered the appropriateness of the Group's accounting policy in relation to the recognition and measurement of revenue against the requirements of Australian Accounting Standards; • For a selection of projects based on qualitative and quantitative factors, we performed the following procedures amongst others: ○ Conducted visits to a selection of sites to observe physical evidence of progress; ○ Inspected the signed contract agreements to develop an understanding of key contract terms; ○ Held meetings with project managers and senior management to develop an understanding of the status of contracts and key changes in estimates since previous years; ○ Assessed the cost to complete estimate, by performing a mixture of procedures depending on the nature of the project, including: ▪ Look back procedures on the Group's historical ability to forecast costs to complete,

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Key audit matter	*How our audit addressed the key audit matter*
• Impacts of any termination for convenience clauses in customer contracts on the revenue recognised and associated contract assets. Auditing key estimates requires significant judgement given the estimation uncertainty and significant complexity involved in estimating the costs or extent of progress towards completion of work. In addition, revenue and contract assets are significant balances to the financial statements. Therefore, recognition of revenue and contract assets on rendering of services and construction contracts was a focus of our audit and considered to be a key audit matter.	▪ Sensitivity analysis and/or comparison of a sample of cost estimates to prior year costs incurred, ▪ Key forecast assumptions were traced back to the source of information for a sample of items; ○ Assessed the measure of progress by challenging the nature of the goods or services that the Group has promised to transfer to the customer, and assessing whether a reliable measure of progress had been used; ○ Tested the cost to complete estimate by assessing the reasonableness of the foreseeable project loss provisions recorded as of the year end for a selection of projects; ○ Obtained evidence to support a sample of variations and claims included in forecast revenue against the criteria of AASB 15. This included assessment of correspondence with the customer, the Group's legal basis for variations and claims, external legal opinions and qualified professionals where necessary, and analysis of the amounts the Group considers to meet the highly probable requirement; ○ Recalculated the revenue based on the input method for fixed price projects to assess the calculation of revenue recorded; and ○ Assessed the reasonableness of the judgement made by management for contracts with a termination for convenience clause, including the impact of any associated termination payments. • Tested the allocation of a sample of both labour and non labour costs to project costs to assess the accuracy of project margins; • Tested a sample of payments and transactions recorded post year end to supporting evidence to assess completeness of costs recorded during the year; • For a selection of project related balances as of the year end, tested the subsequent billing of a sample of unbilled contract revenue; and • Assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting standards, including disclosures with respect to significant estimates and judgements.

Key audit matter	How our audit addressed the key audit matter
Carrying value of goodwill Refer to note C7 Intangible assets Under Australian Accounting Standards, the Group is required to test goodwill annually for impairment at the cash-generating unit (CGU) level. This process is inherently complex and requires judgement in forecasting the operational cash flows and determining discount and growth rates used in the cash flow models (the models). The Group has prepared value in use (VIU) models based on discounted cash flow forecasts to calculate the recoverable amount for each of the four groups of CGUs. Key assumptions in the VIU models include revenue growth, earnings before interest and tax (EBIT) margin, long-term growth rate and discount rate. The recoverable amount of goodwill was a key audit matter given the: • Financial significance of goodwill in the consolidated statement of financial position; and • Significant judgement applied by the Group in determining the recoverable amount of each group of CGUs.	Our audit procedures, included but were not limited to the following: • Developed an understanding of, and evaluated the design and implementation of, the key controls associated with the identification of impairment indicators and the preparation of the discounted cash flow model used to assess the recoverable amount of the Group's CGUs; • Assessed the appropriateness of the Group's identification of, and allocation of goodwill to, the groups of CGUs; • Assessed whether the groups of CGUs included directly attributable assets, liabilities and cash flows and a reasonable allocation of corporate assets and overheads; • Evaluated the Group's historical ability to forecast future cash flows by comparing budgets with reported actual results for the past year; • Assessed the appropriateness of cash flow forecasts included in the models with reference to historical results, forecasts, economic and industry forecasts and contracted commitments; • Tested the mathematical accuracy of the impairment model's calculations; • Assessed the appropriateness of the discount rates, long-term growth rates and valuation methodology, with the assistance of PwC valuation experts where necessary; • Considered the Group's sensitivity analysis on the key assumptions used in the impairment model to assess under which assumptions an impairment would occur and whether this was reasonably possible; • Assessed the reasonableness of the disclosures made in Note C7, including those regarding the key assumptions and sensitivities to changes in such assumptions, in light of the requirements of Australian Accounting Standards.

Other information

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 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report and we have issued a separate review conclusion on specified sustainability disclosures within the sustainability report.

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, pwc

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2026.

In our opinion, the remuneration report of Downer EDI Limited for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

PricewaterhouseCoopers

Jane Reilly
Partner

Sydney
20 August 2026

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Financial Statements

Some of the 70 award winning High Capacity Metro Trains fleet that Downer maintains at the Pakenham East Depot in Victoria.


HCMT

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2026

	Note	2026 $'m	2025 $'m
Revenue	B2	9,704.8	10,481.5
Other income	B2	40.0	50.0
Total revenue and other income		**9,744.8**	10,531.5
Employee benefits expense	D1	(2,873.2)	(3,136.0)
Subcontractor costs		(4,007.1)	(4,319.3)
Raw materials and consumables used		(1,198.0)	(1,437.7)
Plant and equipment costs		(334.3)	(365.6)
Depreciation on leased assets	C6	(120.8)	(140.9)
Other depreciation and amortisation	C5,C7	(161.1)	(201.6)
Impairment of non-current assets	B3	(21.2)	(53.0)
Other expenses from ordinary activities		(658.3)	(616.7)
Total expenses		**(9,374.0)**	(10,270.8)
Share of net profit of joint ventures and associates	F1(a)	15.1	22.5
Earnings before interest and tax		**385.9**	283.2
Finance income		12.5	17.2
Lease finance costs		(23.0)	(26.9)
Other finance costs		(57.1)	(72.4)
Net finance costs		**(67.6)**	(82.1)
Profit before income tax		**318.3**	201.1
Income tax expense	B5(a)	(92.9)	(52.0)
Profit after income tax		**225.4**	149.1
Profit for the year is attributable to:			
– Members of the parent entity		216.5	136.7
– Non-controlling interest		8.9	12.4
Profit for the year		**225.4**	149.1
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
– Actuarial movement on net defined benefit plan obligations		(2.4)	(14.9)
– Income tax effect of actuarial movement on defined benefit plan obligations		0.7	4.5
– Change in fair value of unquoted equity investments		0.2	(0.1)
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation of foreign operations		(47.4)	4.1
– Net (loss)/gain on foreign currency forward contracts taken to equity		(2.5)	3.2
– Net gain/(loss) on cross currency and interest rate swaps taken to equity		8.0	(10.3)
– Income tax effect of items above		(1.6)	2.1
Other comprehensive loss for the year (net of tax)		**(45.0)**	(11.4)
Total comprehensive income for the year (net of tax)		**180.4**	137.7
Total comprehensive income for the year (net of tax) is attributable to:			
– Members of the parent entity		171.5	125.3
– Non-controlling interest		8.9	12.4
Total comprehensive income for the year (net of tax)		**180.4**	137.7
Earnings per share (cents)			
Basic earnings per share	B4	32.6	20.4
Diluted earnings per share[(i)]	B4	32.6	20.4

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 144 to 215.

(i) At 30 June 2026 and 2025, the Redeemable Optionally Adjustable Distributing Securities (ROADS) were deemed anti-dilutive and consequently, diluted EPS remained at 32.6 cents per share (Jun 2025: 20.4 cents per share).

Consolidated Statement of Financial Position

as at 30 June 2026

	Note	2026 $'m	2025 $'m
ASSETS			
Current assets			
Cash and cash equivalents	C1(c)	766.4	833.8
Trade receivables and contract assets	C2	2,093.5	1,802.7
Other financial assets	G3	15.9	30.5
Inventories	C3	190.3	201.0
Prepayments and other assets		67.0	77.0
Assets classified as held for sale		-	117.6
Total current assets		**3,133.1**	3,062.6
Non-current assets			
Trade receivables and contract assets	C2	158.9	155.2
Equity accounted investments	F1(a)	22.8	15.0
Property, plant and equipment	C5	748.4	786.8
Right-of-use assets	C6	312.1	362.5
Intangible assets	C7	1,992.4	2,030.8
Other financial assets	G3	23.1	22.8
Deferred tax assets	B5(b)	32.5	27.4
Prepayments and other assets		10.4	15.9
Total non-current assets		**3,300.6**	3,416.4
Total assets		**6,433.7**	6,479.0
LIABILITIES			
Current liabilities			
Trade payables and contract liabilities	C4	2,282.7	2,059.1
Borrowings	E1	1.7	683.2
Lease liabilities	E3	100.8	112.8
Other financial liabilities	G3	6.7	8.2
Current tax liabilities		83.4	47.5
Employee benefits provision	D1	268.4	280.4
Other provisions	C8	141.9	117.3
Liabilities associated with assets classified as held for sale		-	53.9
Total current liabilities		**2,885.6**	3,362.4
Non-current liabilities			
Trade payables and contract liabilities	C4	44.8	44.2
Borrowings	E1	982.3	401.8
Lease liabilities	E3	290.4	339.2
Other financial liabilities	G3	35.1	19.4
Deferred tax liabilities	B5(b)	1.2	15.7
Employee benefits provision	D1	21.1	24.4
Other provisions	C8	33.0	31.6
Total non-current liabilities		**1,407.9**	876.3
Total liabilities		**4,293.5**	4,238.7
Net assets		**2,140.2**	2,240.3
EQUITY			
Issued capital	E5	2,369.8	2,465.8
Reserves	E6	(38.3)	2.1
Accumulated losses		(369.9)	(406.2)
Equity attributable to the parent interests		**1,961.6**	2,061.7
Non-controlling interest		178.6	178.6
Total equity		**2,140.2**	2,240.3

The consolidated statement of financial position should be read in conjunction with the accompanying notes on pages 144 to 215.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2026

2026 $'m	Note	Issued Capital	Reserves	Accumulated losses	Total attributable to owners of the parent	Non-controlling interest	Total
Balance at 1 July 2025		2,465.8	2.1	(406.2)	**2,061.7**	178.6	**2,240.3**
Profit after income tax		–	–	216.5	**216.5**	8.9	**225.4**
Other comprehensive loss for the year (net of tax)		–	(45.0)	–	**(45.0)**	–	**(45.0)**
Total comprehensive income/(loss) for the year		**–**	**(45.0)**	**216.5**	**171.5**	**8.9**	**180.4**
Vested executive incentive share transactions		0.5	(0.5)	–	**–**	–	**–**
Share-based employee benefits expense		–	5.0	–	**5.0**	–	**5.0**
Income tax relating to share-based transactions during the year		–	0.1	–	**0.1**	–	**0.1**
Group on-market share buy-back		(96.5)	–	–	**(96.5)**	–	**(96.5)**
Payment of dividends(i)	E7	–	–	(180.2)	**(180.2)**	(8.9)	**(189.1)**
Balance at 30 June 2026		**2,369.8**	**(38.3)**	**(369.9)**	**1,961.6**	**178.6**	**2,140.2**

(i) Relates to the 2025 final dividend, 2026 interim dividend and $8.9 million ROADS dividends paid during the financial year.

2025 $'m	Issued Capital	Reserves	Accumulated losses	Total attributable to owners of the parent	Non-controlling interest	Total
Balance at 1 July 2024	2,463.9	13.4	(396.5)	2,080.8	178.6	2,259.4
Profit after income tax	–	–	136.7	136.7	12.4	149.1
Other comprehensive loss for the year (net of tax)	–	(11.4)	–	(11.4)	–	(11.4)
Total comprehensive income/(loss) for the year	–	(11.4)	136.7	125.3	12.4	137.7
Vested executive incentive share transactions	1.9	(1.9)	–	–	–	–
Share-based employee benefits expense	–	3.7	–	3.7	–	3.7
Income tax relating to share-based transactions during the year	–	(1.7)	–	(1.7)	–	(1.7)
Payment of dividends(ii)	–	–	(146.4)	(146.4)	(12.4)	(158.8)
Balance at 30 June 2025	2,465.8	2.1	(406.2)	2,061.7	178.6	2,240.3

(ii) Relates to the 2024 final dividend, 2025 interim dividend and $12.4 million ROADS dividends paid during the financial year.

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes on pages 144 to 215.

Consolidated Statement of Cash Flows

for the year ended 30 June 2026

	Note	2026 $'m	2025 $'m
Cash flows from operating activities			
Receipts from customers		10,464.7	11,767.8
Payments to suppliers and employees		(9,858.5)	(11,112.8)
Distributions received		35.6	32.2
Net cash generated by operating cash flow before interest and tax		**641.8**	687.2
Interest received		12.6	16.9
Interest paid on lease liabilities		(23.0)	(26.9)
Interest and other costs of finance paid		(53.9)	(69.2)
Income tax paid		(74.2)	(45.5)
Net cash generated by operating activities	C1(a)	**503.3**	562.5
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		7.6	11.5
Payments for property, plant and equipment		(118.8)	(118.8)
Payments for intangible assets		(26.1)	(4.1)
Net proceeds and deferred consideration from sale of business (net of cash disposed)	F6	70.7	61.9
Receipts from investments		1.0	0.8
Net advances (to)/from equity accounted investments		(10.1)	19.6
Net cash used in investing activities		**(75.7)**	(29.1)
Cash flows from financing activities			
Group on-market share buy-back	E5	(96.5)	–
Proceeds from borrowings		1,184.5	1,682.0
Repayments of borrowings		(1,250.5)	(1,912.1)
Payment of principal of lease liabilities	C1(b)	(128.3)	(147.6)
Dividends paid		(189.1)	(158.8)
Net cash used in financing activities		**(479.9)**	(536.5)
Net decrease in cash and cash equivalents		**(52.3)**	(3.1)
Cash and cash equivalents at the beginning of the year		833.8	837.6
Effect of exchange rate changes		(15.1)	(0.7)
Cash and cash equivalents at the end of the year	C1(c)	**766.4**	833.8

The consolidated statement of cash flows should be read in conjunction with the accompanying notes on pages 144 to 215.

A_About this report

Statement of compliance

These general purpose financial statements (Financial Report) of Downer EDI Limited (the Company) (ABN 97 003 872 848) have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth). The Financial Report also complies with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements comprise the Parent company and its controlled entities (together the Group). The Group is a for-profit entity.

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

The Financial Report was authorised for issue by the Board of Directors.

Rounding of amounts

Downer is an entity to which section 7 of ASIC Corporations (Rounding in Financial/Directors' reports) instrument 2026/183 applies. In accordance with that section, amounts in the Directors' report and consolidated financial statements are rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars, unless otherwise expressly stated. Amounts shown as $- represent amounts less than $50,000 which have been rounded down. In some instances, totals may not add due to rounding.

Basis of preparation

The Financial Report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments measured at fair value, assets held for sale and non-current assets measured at the lower of carrying value and fair value less costs to sell and defined benefit plans measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars which is the Company's functional and presentation currency.

Certain comparative balances have been reclassified for consistency with the classification in the 30 June 2026 Financial Report.

The accounting policies used in the preparation of the Financial Report are consistent with those adopted and disclosed in Downer's Financial Report for the financial year ended 30 June 2025, except in relation to the relevant new and amended accounting standards adopted by the Group and their effects on the current period or prior periods as described in Note G1.

Accounting estimates and judgements

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements, estimates and assumptions on historical experience and other factors including expectations of future events management believes to be reasonable under the circumstances. The following table provides an overview of the areas that involved a higher degree of judgement or complexity. Detailed information about each of these judgements is included in the following notes:

Accounting judgements	Note	Page
Revenue recognition	B2	153
Income taxes	B5	159
Useful lives	C6	170
Impairment of assets	C7	173
Other provisions	C8	178
Contingent liabilities	C9	179
Employee benefits obligations	D1	180
Lease liabilities	E3	186

Information about assumptions and estimation uncertainty at the reporting date that has a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year is included in the following notes:

Accounting estimates	Note	Page
Revenue recognition	B2	153
Recognition of deferred tax assets	B5	159
Credit risk	C2	166
Useful lives	C5 to C7	169 to 173
Recoverable value of right-of-use assets	C6	170
Intangible assets	C7	173
Other provisions	C8	178
Employee benefits obligations	D1	180
Lease liabilities	E3	186

Material accounting policies

Accounting policies are selected and applied in a manner such that the resulting financial information satisfies the concepts of relevance and reliability, thereby the substance of the underlying transactions or other events is reported. Other material accounting policies are contained in the notes to the Financial Report to which they relate.

(i) Principles of consolidation

The Financial Report incorporates the financial statements of Downer EDI Limited (the Company/Downer) and entities it controlled. Downer EDI Limited and its subsidiaries together are referred to in the Financial Report as the 'Group'. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Financial Report includes the information and results of each subsidiary from the date on which the Company obtains control and until such date as control of the subsidiary ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity of the consolidated entity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

(ii) Foreign currency

Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars at reporting date using the following applicable exchange rates:

Foreign currency	Applicable exchange rate
Transactions	Date of Transaction
Monetary assets and liabilities	Reporting Date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined

Foreign exchange gains and losses resulting from translation are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except for qualifying cash flow hedges which are deferred to equity.

On consolidation of foreign operations, the assets, liabilities, income and expenses are translated into Australian dollars using the following applicable exchange rates:

Foreign operations	Applicable exchange rate
Income and expenses	Average exchange rate
Monetary assets and liabilities	Reporting Date
Equity	Historical date

Foreign exchange differences resulting from translation are initially recognised in the foreign currency translation reserve and subsequently transferred to the profit or loss on disposal of the foreign operation.

(iii) Finance and borrowing costs

Finance costs comprise interest expense on borrowings, unwind of discounts on provisions, cost to establish financing facilities (which are expensed over the term of the facility), losses on ineffective hedging instruments that are recognised in profit or loss and finance lease charges.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the asset.

Other borrowing costs are expensed in the period in which they are incurred.

B_Business performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the financial year and, where relevant, the accounting policies applied and the critical judgements and estimates made.

B1. Segment information

Identification of reportable segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker in order to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Group CEO in assessing performance and in determining the allocation of resources. The Group CEO is identified as the Chief Operating Decision Maker. The operating segments are identified by the Group based on the nature of the services provided. Financial information about each of these segments and additional information on operating businesses within each segment is reported to the Group CEO on a regular basis.

The reportable segments are based on a combination of operating businesses determined by the similarity of the services provided, the sources of the Group's major risks that could therefore have the greatest effect on the rates of return and their quantitative contribution to the Group's results.

The reportable segments identified within the Group are outlined as follows:

Segment	Segment description
Transport	Comprises the Group's road services businesses across Australia and New Zealand, rail businesses in Australia and projects businesses in New Zealand. Downer's road services include: road network management; routine road maintenance; asset management systems; spray sealing; asphalt laying; manufacture and supply of bitumen-based products and asphalt products; the use of recycled products and environmentally sustainable methods to produce asphalt; and landfill diversion solutions. The Rail business spans all light rail and heavy rail sectors, from rollingstock to infrastructure; from design and manufacture to through-life-support including fleet maintenance, operations and comprehensive overhaul of assets. Transport also provides building and construction solutions across a variety of sectors in New Zealand including signalling, track and station works, bridges, airports and roads. Through the Hawkins business, Downer also delivers vertical construction to customers in New Zealand.
Energy & Utilities	Comprises the Group's power, gas, water, telecommunications, industrial, resources and energy businesses. This includes: planning, designing, constructing, operating, maintaining, managing and decommissioning power and gas network assets; providing complete water lifecycle solutions for municipal and industrial water users including water and wastewater treatment, network construction and rehabilitation; end-to-end technology and communications solutions including design, civil construction, network construction, operations and maintenance across fibre, copper and radio networks, and maintenance shutdowns, turnaround and outage delivery. It also provides feasibility studies; engineering design; procurement and construction; commissioning and decommissioning services; and design and manufacture of mineral process equipment.
Facilities	Facilities delivers outsourced facility services across a broad spectrum of industry sectors, including education, health, government, and defence. Facilities support the full lifecycle of strategic assets – ranging from maintenance and operational support to expansion and frontline service delivery. Services encompass comprehensive asset management solutions and consulting services tailored to the needs of complex estates and infrastructure.

2026 $'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
Total revenue including joint ventures, associates and other income(i) (ii) (iii)	**5,195.8**	**2,515.8**	**2,136.6**	**25.1**	**9,873.3**
Share of sales revenue from joint ventures and associates(i)	(128.5)	–	–	–	**(128.5)**
Segment revenue and other income	**5,067.3**	**2,515.8**	**2,136.6**	**25.1**	**9,744.8**
Share of net profit from joint ventures and associates	15.1	–	–	–	**15.1**
Depreciation and amortisation (excl. Amortisation of acquired intangibles)	(176.7)	(22.1)	(13.1)	(51.7)	**(263.6)**
Total reported segment results – EBIT before amortisation of acquired intangibles (EBITA)	**299.9**	**145.3**	**144.0**	**(185.0)**	**404.2**
Amortisation of acquired intangibles	(0.9)	(0.3)	(3.8)	(13.3)	**(18.3)**
Earnings before interest and tax (EBIT)	299.0	145.0	140.2	(198.3)	**385.9**
Net finance costs					**(67.6)**
Total profit before income tax					**318.3**
Additions of segment assets	167.0	21.3	18.0	10.7	**217.0**
Segment assets	3,316.1	1,240.5	1,455.1	422.0	**6,433.7**
Segment liabilities	1,890.3	481.9	503.7	1,417.6	**4,293.5**
Carrying value of equity accounted investees	22.8	–	–	–	**22.8**

(i) This is a non-statutory disclosure as it relates to Downer's share of revenue from equity accounted joint ventures and associates.
(ii) Included in FY26 total revenue is $68.9 million in relation to divested businesses and assets held for sale.
(iii) The Group did not derive revenue greater than 10% of the Group's total revenue from a single major customer.

2025 $'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
Total revenue including joint ventures, associates and other income(i) (ii) (iii)	5,557.8	3,009.5	2,241.9	76.5	10,885.7
Share of sales revenue from joint ventures and associates(i)	(303.5)	–	–	(50.7)	(354.2)
Segment revenue and other income	5,254.3	3,009.5	2,241.9	25.8	10,531.5
Share of net profit/(loss) from joint ventures and associates	23.3	–	–	(0.8)	22.5
Depreciation and amortisation (excl. Amortisation of acquired intangibles)	(186.2)	(34.8)	(22.8)	(71.2)	(315.0)
Total reported segment results – EBIT before amortisation of acquired intangibles (EBITA)	290.7	121.7	153.8	(255.5)	310.7
Amortisation of acquired intangibles	(2.8)	(0.3)	(3.8)	(20.6)	(27.5)
Earnings before interest and tax (EBIT)	287.9	121.4	150.0	(276.1)	283.2
Net finance costs					(82.1)
Total profit before income tax					201.1
Additions of segment assets(iv)	176.1	14.5	9.4	7.6	207.6
Segment assets	3,099.0	1,457.8	1,467.3	454.9	6,479.0
Segment liabilities	1,615.4	623.4	550.9	1,449.0	4,238.7
Carrying value of equity accounted investees	15.0	-	-	-	15.0

(i) This is a non-statutory disclosure as it relates to Downer's share of revenue from equity accounted joint ventures and associates.
(ii) Included in FY25 total revenue is $537.1 million in relation to divested businesses and assets held for sale.
(iii) The Group did not derive revenue greater than 10% of the Group's total revenue from a single major customer.
(iv) FY25 comparative figures are revised to include right-of-use assets.

Reconciliation of segment EBIT to net profit after tax:

	Note	Segment Results 2026 $'m	Segment Results 2025 $'m
Segment EBIT before Unallocated		584.2	559.3
Unallocated:			
Net profit/(loss) on divestments and exit costs	B3	6.1	(36.2)
Transformation and restructure costs	B3	(46.9)	(51.3)
Regulatory reviews and legal matters	B3	(24.0)	(10.7)
Impairment, asset write-downs and other	B3	(33.9)	(71.8)
Amortisation of Spotless and Tenix acquired intangible assets		(13.3)	(14.1)
Corporate costs		(86.3)	(92.0)
Total unallocated		**(198.3)**	(276.1)
Earnings before interest and tax		385.9	283.2
Net finance costs		(67.6)	(82.1)
Profit before income tax		**318.3**	201.1
Income tax expense	B5(a)	(92.9)	(52.0)
Profit after income tax		**225.4**	149.1

Segment assets by geographical location

	Segment assets Non-current(ii) 2026 $'m	Segment assets Non-current(ii) 2025 $'m	Additions of segment assets Non-current(ii) 2026 $'m	Additions of segment assets Non-current(ii) 2025(iii) $'m
Geographical location(i)				
Australia	2,615.5	2,660.6	150.8	125.3
New Zealand and Pacific	463.9	550.8	58.5	82.1
Rest of the world	8.6	0.9	7.7	0.2
Total	**3,088.0**	3,212.3	**217.0**	207.6

(i) Assets are allocated based on the geographical location of the legal entity.
(ii) Total of non-current assets other than deferred tax assets, financial instruments and trade receivables and contract assets.
(iii) FY25 comparative figures are revised to include right-of-use assets.

B2. Revenue

Revenue and other income

2026 $'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
Rendering of services	2,850.7	1,830.9	2,081.9	0.1	**6,763.6**
Construction contracts	1,900.0	655.8	15.0	0.1	**2,570.9**
Sale of goods	305.0	21.6	38.8	–	**365.4**
Total revenue from contracts with customers	**5,055.7**	**2,508.3**	**2,135.7**	**0.2**	**9,699.9**
Other revenue	4.3	0.1	–	0.5	**4.9**
Total revenue	**5,060.0**	**2,508.4**	**2,135.7**	**0.7**	**9,704.8**
Insurance recoveries	–	4.4	–	–	**4.4**
Net gain on disposal of leased assets	0.4	2.6	0.9	0.4	**4.3**
Net gain on sale of property, plant and equipment	1.2	–	–	–	**1.2**
Other	5.7	0.4	–	24.0	**30.1**
Other income	**7.3**	**7.4**	**0.9**	**24.4**	**40.0**
Total revenue and other income	**5,067.3**	**2,515.8**	**2,136.6**	**25.1**	**9,744.8**

2025 $'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
Rendering of services	3,065.4	2,309.6	2,185.3	1.3	7,561.6
Construction contracts	1,872.5	667.8	12.9	–	2,553.2
Sale of goods	283.0	30.6	43.7	–	357.3
Total revenue from contracts with customers	5,220.9	3,008.0	2,241.9	1.3	10,472.1
Other revenue	5.4	0.3	–	3.7	9.4
Total revenue	5,226.3	3,008.3	2,241.9	5.0	10,481.5
Insurance recoveries	–	–	–	16.4	16.4
Net gain on sale of property, plant and equipment	1.7	0.5	–	(0.1)	2.1
Other	26.3	0.7	–	4.5	31.5
Other income	28.0	1.2	–	20.8	50.0
Total revenue and other income	5,254.3	3,009.5	2,241.9	25.8	10,531.5

Revenue from contracts with customers by geographical location

2026 $'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
Geographical location(i)					
Australia	3,064.2	1,989.4	1,893.4	0.1	**6,947.1**
New Zealand and Pacific	1,989.9	471.7	242.3	0.1	**2,704.0**
Rest of the world	1.6	47.2	–	–	**48.8**
Total revenue from contracts with customers	**5,055.7**	**2,508.3**	**2,135.7**	**0.2**	**9,699.9**

(i) Revenue is allocated based on the geographical location of the legal entity.

2025 $'m	Transport	Energy & Utilities	Facilities	Unallocated	Total
Geographical location[(i)]					
Australia	3,023.5	2,461.6	1,942.2	0.2	7,427.5
New Zealand and Pacific	2,197.4	504.7	299.7	1.1	3,002.9
Rest of the world	–	41.7	–	–	41.7
Total revenue from contracts with customers	5,220.9	3,008.0	2,241.9	1.3	10,472.1

(i) Revenue is allocated based on the geographical location of the legal entity.

Recognition and measurement

Revenue

The Group recognises revenue when a customer obtains control of the goods or services, in accordance with AASB 15 *Revenue from Contracts with Customers* (AASB 15). Revenue is measured at the consideration received or receivable. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. The Group enters into client contracts with relatively long-term durations under various contract types, including schedules of rates, lump sum and cost-reimbursable. Various contractual terms and conditions determine the mechanism of pricing and revenue recognition. Revenue is recognised if it meets the criteria below.

(i) Rendering of services

The Group primarily generates service revenue from the following activities:

- Maintenance and management of transport infrastructure
- Utilities infrastructure maintenance services (gas, power and water)
- Maintenance and installation of infrastructure in the telecommunications sector
- Industrial plant maintenance
- Engineering and consultancy services
- Rollingstock maintenance and rail asset management services
- Facilities management

Typically, under the performance obligations of service contracts, the customer consumes and receives the benefit of the service as it is provided. As such, service revenue is recognised over time as the services are provided.

(ii) Construction contracts

The Group primarily generates construction revenue from building, infrastructure, minor capital works and rollingstock manufacturing activities. The contractual terms and the way in which the Group operates its construction contracts are derived from projects predominantly containing one performance obligation. Under these performance obligations, performance either creates or enhances an asset that the customer controls as the asset is created, or performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Therefore, revenue is recognised over time based on stage of completion of the contract.

(iii) Sale of goods

Revenue is recognised at a point in time when the customer obtains control of goods, which is generally at the time of purchase or delivery to the customer.

(iv) Other revenue

Other revenue primarily includes rental income.

(v) Other income

Other income primarily includes insurance recoveries, net gain on sale of property, plant and equipment and leased assets.

Insurance recoveries relate to insurance refunds received for claims lodged that meet the recognition criteria of being 'virtually certain' following confirmation of indemnity received from insurers.

Principal versus agent

In some instances where the Group is acting as an agent in arrangements that invoice on behalf of another contractor as part of the commercial contractual terms and conditions, the revenue recognised is limited to the gross margin that the Group is entitled to, not the total amount billed.

For contracts where a third party (for example, subcontractors) is involved in providing services, the Group determines whether it is acting as a principal or an agent. The Group acts as a principal if it controls the specified good or service before that service is transferred to a customer.

Contract modifications

For services and construction contracts, revenue from variations and claims is recognised to the extent they are approved or are enforceable under the contract. The amount of revenue is then recognised to the extent it is highly probable that a significant reversal of revenue 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, stage of negotiations, or the historical outcome of similar claims to determine whether the enforceable and the 'highly probable' thresholds have been met.

Revenue in relation to modifications, such as a change in the scope of the contract, will only be included in the transaction price when it is approved by the parties to the contract or the modification is enforceable and the amount becomes highly probable. Modifications may also be recognised when client instruction has been received in line with customary business practice for the customer.

Contract costs (tender costs)

Costs incurred during the tender/bid process are expensed, unless they are incremental to obtaining the contract and the Group expects to recover those costs or where they are explicitly chargeable to the customer regardless of whether the contract is obtained.

Performance obligations and contract duration

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 granular approach to identify the different revenue streams (i.e. performance obligations) in a contract 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 will be 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.

AASB 15 provides guidance in respect of the term over which revenue may be recognised and is limited to the period for which the parties have enforceable rights and obligations. When the customer can terminate a contract for convenience (without a substantive penalty), the contract term and related revenue is limited to the period.

The Group has elected to apply the practical expedient to not adjust the total consideration over the contract term for the effect of a financing component if the period between the transfer of services to the customer and the customer's payment for these services is expected to be one year or less.

Measure of progress

The Group recognises revenue using the measure of progress that best reflects the Group's performance in satisfying the performance obligation over time. The different methods of measuring progress include an input method (e.g. costs incurred) or an output method (e.g. time elapsed). The same method of progress will be consistently applied to similar performance obligations.

As a practical expedient in certain circumstances, where the Group has a right to invoice the customer at an amount that corresponds directly with its performance to date, then the Group recognises revenue at that amount.

Remaining performance obligations

As of 30 June 2026, the aggregate amount of the transaction price allocated to the remaining performance obligations is $19,417.0 million (2025: $19,401.5 million). The Group will recognise this revenue when the performance obligations are satisfied. Approximately ~42% of remaining performance obligations are expected to occur within the next five years; with the remaining ~58% related to long-term service/maintenance contracts ranging up to 36 years.

The remaining performance obligations balances for both 30 June 2026 and 30 June 2025 presented above relate to the revenue expected to be recognised from ongoing contracts with an expected duration of more than 12 months.

Variable consideration

Variable consideration that is contingent on the Group's performance, including key performance payments, liquidated damages and abatements that offset revenue under the contract, is recognised only when it is highly probable that a reversal of that revenue will not occur.

In addition, where the identified revenue stream is determined to be a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer (e.g. maintenance services), variable consideration is recognised in the period/(s) in which the series of distinct goods or services subject to the variable consideration are completed.

Loss-making contracts

Loss-making contracts are recognised under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* as onerous contracts.

In making this assessment, the Group considers the performance of a contract cumulatively life to date, in the most recent reporting period, and updates the final forecast at completion.

In circumstances where contracts have incurred losses, either cumulatively life to date or in the reporting period, and the final forecast margin anticipates improvements in contract performance to deliver an overall profitable outcome on the contract, detailed reviews are completed to assess the basis and reasonableness of the expected turnaround. In these circumstances an onerous contract is not recognised.

Key estimate and judgement: Revenue recognition

Measure of Progress
Management uses judgement in selecting an appropriate measure of progress towards completing satisfaction of an obligation. The selected method considers the nature of the good or service that the Group has promised to transfer to the customer.

Stage of completion
Determining the stage of completion based on a percentage of costs to complete requires an estimate of expenses incurred to date as a percentage of total estimated costs. Significant judgement is required to determine the remaining costs to be incurred in delivering the remainder of the project.

Modifications
When a contract modification exists and the Group has an approved enforceable right to payment, revenue in relation to claims and variations is only included in the transaction price when the amount claimable becomes highly probable. Management uses judgement in determining whether an approved enforceable right exists and determining when an amount is highly probable.

Variable consideration
Determining the amount of variable consideration requires an estimate based on either the 'expected value' or the 'most likely amount'. The estimate of variable consideration can only be recognised to the extent it is highly probable that a significant revenue reversal will not occur in future. Significant judgement is required in determining whether revenue should be constrained for variations and claims to customers and potential liquidated damages.

Termination for convenience clauses
When a contract provides that a customer can terminate for convenience, management must determine whether or not termination penalties payable by the customer to the Group on termination are substantive. This determination impacts whether the Group accounts for the customer contract as a long-term contract over the stated term or as a short-term contract over the non-cancellable period. The assessed contract term impacts the determination and allocation of the transaction price to performance obligations, and ultimately when revenue is recognised.

Defects and warranty

Contracts for rendering of services and construction may include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and associated costs are estimated and included in the total costs of the contracts. Where required, obligations for defects and warranty are recognised as a provision, refer to Note C8 Other provisions.

Changes in these estimates or judgements could have a material impact on the financial statements of the Group.

B3. Individually significant items

The following material items of income and expense, forming part of the unallocated segment, are relevant to an understanding of the Group's financial performance:

2026 $'m	Net gain on divestments and exit costs	Transformation and restructure costs	Regulatory reviews and legal matters	Impairment, asset write-downs and other	Total
Other income	23.9	–	–	–	**23.9**
Employee benefits expense	(5.6)	(30.3)	–	–	**(35.9)**
Other depreciation and amortisation	–	–	–	(4.3)	**(4.3)**
Impairment of non-current assets	–	–	–	(21.2)	**(21.2)**
Net loss on disposal of businesses	(9.4)	–	–	–	**(9.4)**
Other expenses from ordinary activities	(2.8)	(16.6)	(24.0)	(8.4)	**(51.8)**
Total significant items before income tax	**6.1**	**(46.9)**	**(24.0)**	**(33.9)**	**(98.7)**
Income tax (expense) / benefit	(1.4)	14.1	7.2	10.3	**30.2**
Total significant items after income tax	**4.7**	**(32.8)**	**(16.8)**	**(23.6)**	**(68.5)**

Divestments and exit costs

During the period, the Group finalised a number of divestments as part of its program of portfolio simplification. The following divestment and exit costs were recognised in relation to the transactions. Refer to Note F6 for further details on the individual transactions.

The net gain on divestments and exit costs includes:

- $6.1 million net pre-tax gain (including disposal costs) across the divestments, inclusive of:
  - $12.5 million net gain on disposal of our 49% interest in Keolis Downer to the Keolis Group. The net gain on disposal is inclusive of a $23.9 million dividend recognised prior to completion.
  - $5.6 million loss on exit of an Australian cleaning and catering contract within Facilities as part of portfolio simplification strategy to exit single service line Cleaning and Catering businesses.
  - $2.0 million loss on sale of the New Zealand Cleaning business as part of the ongoing strategy to simplify the Facilities business and focus on core markets.
  - $1.1 million net gain from the transfer and demobilisation of the Power Maintenance Contract which completed in July 2025 within Energy & Utilities involving transfer of employees, assets and sites.

Transformation and restructure costs

Transformation and restructure costs represent costs incurred in relation to Downer's Transformation program to restructure its operating model and to identify opportunities for overhead savings from improved alignment and role clarity between the Corporate and Business Unit organisation structures. The material elements of the costs associated with the transformation and restructure are as follows:

- Redundancy and severance costs associated with ongoing review of the Group operating model
- Transformation program implementation costs including external advisor costs
- IT transformation costs, impacting workforce management, project management, ERP systems and modernising IT infrastructure. These programs' objectives include an uplift in capability and/or cost savings.

Regulatory reviews and legal matters

Regulatory review and legal matters costs were incurred in relation to Downer's defence against actions filed against the Company, including shareholder class actions filed in early 2023 and the action filed by the Australian Competition and Consumer Commission (ACCC) in December 2024. These costs also relate to regulatory reviews, undertakings related business conduct reviews and investigations, and costs associated with defending and settling historical long dated warranty claims associated with businesses no longer in operation.

The shareholder class action and ACCC claim have been disclosed as contingent liabilities in Note C9.

Impairment, asset write-downs and other

Impairment and other asset write-downs relate to:

- A Rail site in the Transport segment totalling $13.6 million including remediation works.
- Two asphalt plants following review of carrying value within the Transport segment totalling $10.0 million.
- Accelerated amortisation and write-downs in relation to IT assets and discontinuation of IT development programs, where the ongoing usage has been reviewed as part of the Technology Simplification programs to reduce complexity and identify cost savings.
- Impairment of right-of-use assets where office space has been consolidated as part of the Group's transformation program.

Prior year

The Group recognised the following items as individually significant items as at 30 June 2025:

2025 $'m	Net loss on divestments and exit costs	Transformation and restructure costs	Regulatory reviews and legal matters	Impairment, asset write-downs and other	Total
Other income	–	–	–	16.4	16.4
Employee benefits expense	(2.5)	(18.0)	–	(3.2)	(23.7)
Other depreciation and amortisation	(3.8)	–	–	(21.8)	(25.6)
Impairment of non-current assets	–	–	–	(53.0)	(53.0)
Net loss on disposal of businesses	(20.8)	–	–	–	(20.8)
Other expenses from ordinary activities	(9.1)	(32.8)	(10.7)	(10.2)	(62.8)
Share of net profit of joint venture and association	–	(0.5)	–	–	(0.5)
Total significant items before income tax	(36.2)	(51.3)	(10.7)	(71.8)	(170.0)
Income tax benefit	14.8	15.5	3.1	21.0	54.4
Total significant items after income tax	(21.4)	(35.8)	(7.6)	(50.8)	(115.6)

Divestments and exit costs

During the prior financial year, the Group made continued progress against its strategic priority of portfolio simplification and divestments and exit costs were recognised in relation to a number of transactions. Refer to Note F6 for further details on the individual transactions.

The net loss on divestments and exit costs includes:

- $20.8 million net pre-tax loss (including disposal costs) across the divestments inclusive of:
  - $41.1 million gain on disposal of the remaining 29.9% interest in its Australian Laundries business to an Australian private equity fund run by Macquarie Asset Management.
  - $38.6 million impairment of assets held for sale following the agreement to sell Downer's 49% interest in Keolis Downer to the Keolis Group. The transaction was completed in 2026.
  - $23.3 million loss on sale of Australian cleaning and New Zealand catering businesses as part of the ongoing strategy to simplify the Facilities business and focus on core markets.
- $3.8 million of accelerated amortisation on acquired intangibles from the Spotless acquisition due to disposed contracts.
- $7.9 million exit costs associated with transfer and demobilisation of the Power Maintenance Contract completed in July 2025 within Energy & Utilities involving transfer of employees, assets and sites (included here as akin to a divestment in nature).
- Capital losses have been utilised to fully offset capital gains arising on divestments during the year ended 30 June 2026.

These divestments largely close out our portfolio simplification program, which has sharpened the Company's focus on core markets and growth opportunities aligned to our technical strengths and core capabilities.

Transformation and restructure costs

Transformation and restructure costs represent costs incurred in relation to Downer's Transformation program to restructure its operating model and to identify opportunities for overhead savings from improved alignment and role clarity between the Corporate and Business Unit organisation structures. The material elements of the costs associated with the transformation and restructure are as follows:

- Redundancy and severance costs associated with ongoing review of the Group operating model.
- Transformation program implementation costs including external advisor costs.
- IT transformation costs, impacting work management, project management, ERP systems (e.g. SAP S/4 Hana in Facilities Segment) and modernising IT infrastructure. These programs objectives include an uplift in capability and/or cost savings.

Regulatory reviews and legal matters

Regulatory review and legal matters costs were incurred in relation to Downer's defence against actions filed against the Company, including shareholder class actions filed in early 2023 and the action filed by the Australian Competition and Consumer Commission (ACCC) in December 2024. These costs also relate to regulatory reviews, undertaking related business conduct reviews and investigations, and costs associated with defending and settling historical long dated warranty claims associated with businesses no longer in operation.

The shareholder class actions claims have been disclosed as a contingent liability in Note C9.

Impairment, asset write-downs and other

Impairment and other asset write-downs relates to:

- A Rail site in the Transport segment with a $47.0 million impairment in relation to fixed assets including buildings and equipment as a result of a change in forecast customer demand; insurance recoveries of $16.4 million in relation to storm hail damage; and site rectification costs of $10.2 million.
- Accelerated amortisation and write-downs in relation to IT assets and discontinuation of IT development programs, where the ongoing usage has been reviewed as part of the Technology Simplification and Optimise programs to reduce complexity, identify cost savings and align with changes to the Group's new operating model.
- Accelerated amortisation on acquired intangibles from the Spotless acquisition from exited contracts.
- Office space and vehicle leases being surplus to requirements and terminated as a result of business transformation.

B4. Earnings per share

Basic earnings per share

The calculation of basic earnings per share (EPS) is based on the profit/loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

	2026	2025
Profit attributable to members of the parent entity used in calculating basic EPS ($'m)	216.5	136.7
Weighted average number of ordinary shares (WANOS) on issue (m's)[i]	664.7	670.8
Basic earnings per share (cents)	**32.6**	20.4
Underlying Net profit/(loss) after tax (underlying)	293.9	264.7
Preference dividends paid	(8.9)	(12.4)
Underlying profit attributable to members	285.0	252.3
Weighted average number of ordinary shares (WANOS) on issue (m's)[i]	664.7	670.8
Underlying Basic earnings per share (cents)	**42.9**	37.6

Diluted earnings per share

The calculation of diluted earnings per share is based on the following profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares.

	2026	2025
Profit attributable to members of the parent entity used in calculating basic EPS ($'m)	216.5	136.7
Adjustment of earnings for ROADS dividend paid ($'m)	8.9	12.4
Profit attributable to members of the parent entity used in calculating diluted EPS ($'m)	225.4	149.1
Weighted average number of ordinary shares		
– Weighted average number of ordinary shares (WANOS) on issue (m's)(i) (ii)	669.0	674.0
– Adjustments for calculation of diluted earnings per share due to ROADS (m's)(iii)	20.8	30.9
WANOS used in the calculation of diluted EPS (m's)	689.8	704.9
Diluted earnings per share (cents)(iv)	**32.6**	20.4

(i) The WANOS on issue has been adjusted by the weighted average effect of vested executive incentive shares of 53,671 (Jun 2025: 319,326).

(ii) For diluted EPS, the WANOS has been further adjusted by the potential vesting of executive incentive shares.

(iii) The WANOS adjustment is the value of ROADS that could potentially be converted into ordinary shares at the reporting date. It is calculated based on the issued value of ROADS in New Zealand dollars converted to Australian dollars at the spot rate prevailing at the reporting date, which was $164.4 million (Jun 25: $185.7 million), divided by the 20-day Volume-Weighted Average Price (VWAP) of the Company's ordinary shares for the period preceding 30 June 2026 discounted by 2.5% according to the ROADS contract terms, which was $7.88 (Jun 2025: $6.02).

(iv) At 30 June 2026, the ROADS were deemed anti-dilutive and consequently, diluted EPS remained at 32.6 cents per share (Jun 2025: 20.4 cents per share).

B5. Taxation

(a) Reconciliation of income tax expense

The prima facie income tax expense/(benefit) on the pre-tax result for the year reconciles to the income tax expense in the financial statements as follows:

	2026 $'m	2025 $'m
Profit before income tax	318.3	201.1
Tax using the Company's statutory tax rate	95.5	60.3
Effect of tax rates in foreign jurisdictions	(2.4)	(2.3)
Non-deductible expenses	1.0	4.7
Profits and franked distributions from joint ventures and associates	(3.8)	(11.1)
Tax effect of divestments	(0.8)	(4.5)
Effect of unrecognised temporary differences	4.0	3.6
Over-provision of income tax in previous year	(2.2)	(0.9)
Other items	1.6	2.2
Total income tax expense	**92.9**	52.0
Current tax expense	112.5	66.5
Deferred tax benefit	(19.6)	(14.5)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous year.

Recognition and measurement

Current tax

Current tax assets and liabilities are measured at the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period; this is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax and capital losses and tax offsets, to the extent that it is probable that sufficient taxable profits will be available to utilise them.

However, deferred tax assets and liabilities are not recognised for:

- Temporary differences that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination which affects neither taxable income nor accounting profit, and does not give rise to equal taxable and deductible temporary differences
- Temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- Taxable temporary differences arising from goodwill.

During the year, capital losses of approximately $4.6 million were realised in connection with the liquidation of Downer EDI Engineering Power Limited. Previously recognised and unrecognised capital losses have been utilised to offset capital gains arising from the sale of the 49% interest in the Keolis Downer joint venture, which completed in the 2026 financial year. As at 30 June 2026, the Group had $33.8 million of unutilised capital losses for which no deferred tax asset has been recognised, as there are currently no foreseeable capital gains against which these losses could be applied.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply in the year when the asset is utilised or liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation

Downer EDI Limited and its wholly owned Australian entities are part of a tax-consolidated group under Australian taxation law. Downer EDI Limited is the head entity in the tax-consolidated group. Entities within the tax-consolidated group have entered into a tax funding agreement and a tax sharing agreement with the head entity. Under the terms of the tax funding agreement, Downer EDI Limited and each of the entities in the tax-consolidated group have agreed to pay (or receive) a tax equivalent payment to (or from) the head entity, based on the current tax liability or current tax asset of the entity.

International Tax Reform – Pillar Two Model Rules

As a large multinational enterprise, the Group is subject to the Pillar Two rules, which have been enacted in Australia and New Zealand, being the two main jurisdictions in which the Group operates. The rules apply to fiscal years commencing on or after 1 January 2024 in Australia and 1 January 2025 in New Zealand. The Group also operates in a number of other jurisdictions which have implemented or are considering implementing Pillar Two legislation. Specifically, the Pillar Two rules are designed to ensure large multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions in which they operate, imposing an additional tax on profits where the effective tax rate in that jurisdiction falls below the minimum rate of 15%.

Based on current information available for all jurisdictions in which the Group operates, the Group does not expect a material exposure to Pillar Two income taxes, and management is not currently aware of any circumstances under which this might change.

The Group has applied the temporary mandatory relief under amendments to IAS 12 issued by the AASB on 27 June 2023, from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes at 30 June 2026.

Key estimates and judgements:

Recognition of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences, unused tax and capital losses and tax offsets, to the extent it is probable that sufficient future taxable profits will be available to utilise them. Estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing, nature and level of future taxable profits.

Income taxes
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Judgement is required to determine the worldwide provision for income taxes and to assess whether deferred tax balances are recognised on the statement of financial position. Changes in circumstances will alter expectations, which may impact the amount of provision for income taxes and deferred tax balances recognised.

(b) Movement in deferred tax balances

2026 $'m	At 30 June 2025	Recognised in profit or loss	Recognised in other comprehensive income and equity	Net foreign currency exchange differences	Disposal	Net balance at 30 June 2026	Deferred tax assets	Deferred tax liabilities
Trade receivables and contract assets	(137.7)	14.6	–	3.6	–	**(119.5)**	–	(119.5)
Property, plant and equipment	26.8	(1.3)	–	(1.1)	–	**24.4**	24.4	–
Right-of-use assets	(113.1)	22.3	–	–	–	**(90.8)**	–	(90.8)
Lease liabilities	140.1	(26.1)	–	–	–	**114.0**	114.0	–
Intangible assets	(51.5)	5.2	–	0.3	–	**(46.0)**	–	(46.0)
Tax losses and other attributes	6.4	(6.4)	–	–	–	**–**	–	–
Trade payables and contract liabilities	12.3	19.4	–	0.1	–	**31.8**	31.8	–
Employee benefits and other provisions	136.7	(22.9)	0.8	(2.4)	0.3	**112.5**	112.5	–
Other	(8.3)	14.8	(1.6)	–	–	**4.9**	4.9	–
Net deferred tax assets/(liabilities)	**11.7**	**19.6**	**(0.8)**	**0.5**	**0.3**	**31.3**	**287.6**	**(256.3)**
Set-off of deferred taxes							(255.1)	255.1
Net deferred tax assets/(liabilities)						**31.3**	**32.5**	**(1.2)**

2025 $'m	At 30 June 2024	Recognised in profit or loss	Recognised in other comprehen- sive income and equity	Net foreign currency exchange differences	Assets held for sale	Net balance at 30 June 2025	Deferred tax assets	Deferred tax liabilities
Trade receivables and contract assets	(145.8)	8.6	–	(0.5)	–	(137.7)	–	(137.7)
Property, plant and equipment	10.3	16.4	–	0.1	–	26.8	26.8	–
Right-of-use assets	(120.4)	7.3	–	–	–	(113.1)	–	(113.1)
Lease liabilities	149.5	(9.4)	–	–	–	140.1	140.1	–
Intangible assets	(60.6)	9.1	–	–	–	(51.5)	–	(51.5)
Tax losses and other attributes	8.3	(1.9)	–	–	–	6.4	6.4	–
Trade payables and contract liabilities	24.1	(11.8)	–	–	–	12.3	12.3	–
Employee benefits and other provisions	140.0	(0.6)	1.8	0.3	(4.8)	136.7	136.7	–
Other	(8.2)	(3.2)	3.1	-	–	(8.3)	–	(8.3)
Net deferred tax assets/(liabilities)	(2.8)	14.5	4.9	(0.1)	(4.8)	11.7	322.3	(310.6)
Set-off of deferred taxes							(294.9)	294.9
Net deferred tax assets/(liabilities)						11.7	27.4	(15.7)

B6. Remuneration of auditor

	2026 $'000	2025 $'000
Audit or review of financial reports	4,682	4,466
Assurance services:		
Regulatory assurance services(i)	78	78
Sustainability report assurance(ii)	288	344
Other assurance services(ii)	208	26
Total assurance services	**574**	448
Other services:		
Tax services	48	154
Other services and agreed upon procedures	95	100
Total other services	**143**	254

(i) Prior year comparative amounts have been restated to include fees for services performed after year-end that relate to the FY25 financial year.

(ii) Prior year comparative amounts have been reclassified to separately disclose sustainability report assurance services. In the prior year, these fees were included within 'Other assurance services'. The reclassification has no impact on total auditor remuneration disclosed.

The auditor of the Group is PricewaterhouseCoopers (PwC).

B7. Subsequent events

At the date of this report, there is no other matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

C_Operating assets and liabilities

This section provides information relating to the operating assets and liabilities of the Group. Downer has a strong focus on maintaining a strong balance sheet through continued focus on cash conversion. The Group's strategy also considers expenditure, growth and acquisition requirements.

C1	Reconciliation of cash and cash equivalents	C4	Trade payables and contract liabilities	C7	Intangible assets
C2	Trade receivables and contract assets	C5	Property, plant and equipment	C8	Other provisions
C3	Inventories	C6	Right-of-use assets	C9	Contingent liabilities

C1. Reconciliation of cash and cash equivalents

(a) Reconciliation of cash flows from operating activities

	Note	2026 $'m	2025 $'m
Profit after tax for the year		225.4	149.1
Adjustments for:			
Share of joint ventures and associates' profits net of distributions	F1(a)	(8.8)	(17.0)
Depreciation on leased assets	C6	120.8	140.9
Depreciation and amortisation of other non-current assets	C5, C7	161.1	201.6
Impairment of other non-current assets	B3	21.2	53.0
Amortisation of deferred borrowing costs		4.9	7.2
Net gain on sale of property, plant and equipment		(1.1)	(1.1)
Net loss on disposal of businesses	B3	9.4	20.8
Movement in current tax balances		37.6	21.1
Movement in deferred tax balances		(18.9)	(14.6)
Movements on net defined benefit plan obligation		-	0.9
Share-based employee benefits expense	D1	5.0	3.7
Other		(5.8)	(5.5)
		325.4	**411.0**
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:			
(Increase)/decrease in assets:			
Current trade receivables and contract assets		(340.8)	76.2
Current inventories		4.3	(8.3)
Other current assets		8.6	(7.1)
Non-current trade receivables and contract assets		(4.2)	(10.0)
Other non-current assets		5.5	2.3
Increase/(decrease) in liabilities:			
Current trade payables and contract liabilities		264.2	(19.7)
Current financial liabilities		5.0	5.0
Current provisions		7.2	(18.5)
Non-current trade payables and contract liabilities		5.3	(16.5)
Non-current financial liabilities		(1.6)	(2.0)
Non-current provisions		(1.0)	1.0
		(47.5)	2.4
Net cash generated by operating activities		**503.3**	562.5

(b) Reconciliation of liabilities from financing activities

2026 $'m	1 July 2025	Net cash flows(i)	Lease net additions and remeasure(ii)	Other non-cash changes	30 June 2026
Interest bearing loans	1,085.0	(66.0)	–	(35.0)	984.0
Lease liabilities	452.0	(128.3)	101.9	(34.5)	391.1
Total liabilities from financing activities	**1,537.0**	**(194.3)**	**101.9**	**(69.5)**	**1,375.1**

2025 $'m	1 July 2024	Net cash flows(i)	Lease net additions and remeasure(ii)	Other non-cash changes	Disposal group held for sale	30 June 2025
Interest bearing loans	1,294.0	(230.1)	–	21.1	–	1,085.0
Lease liabilities	511.9	(147.6)	122.2	(6.1)	(28.4)	452.0
Total liabilities from financing activities	1,805.9	(377.7)	122.2	15.0	(28.4)	1,537.0

(i) Gross cash flow movements are disclosed in the cash flow statement.
(ii) Remeasurement amount is disclosed in Note C6.

(c) Cash and cash equivalents

	2026 $'m	2025 $'m
For the purpose of the statement of cash flows, cash and cash equivalents comprises:		
Cash	766.4	832.1
Short-term deposits	-	1.7
Total cash and cash equivalents	766.4	833.8

Cash and short-term deposits includes $35.0 million (2025: $43.6 million) relating to demand deposits for retentions in accordance with Australian and New Zealand contractual requirements. This cash is not available for general use.

C2. Trade receivables and contract assets

	2026 $'m	2025 $'m
Trade receivables	436.6	541.6
Contract assets(i)	1,808.8	1,405.6
	2,245.4	1,947.2
Other receivables	31.6	33.2
Loss allowance on trade receivables and contract assets arising from contracts with customers	(24.6)	(22.5)
Total trade receivables and contract assets	**2,252.4**	1,957.9
Included in the financial statements as:		
Current(i)	2,093.5	1,802.7
Non-current	158.9	155.2

(i) Current contract assets: $1,649.9 million (June 2025: $1,250.4 million).

Allowance for credit losses:

The Group's trade receivables and contract assets are disaggregated based on their expected credit risks between Government and Private (non-government) & Government related customers. An analysis of the balances and loss allowance is presented below:

	2026 $'m	2025 $'m
Government – not due	1,305.6	952.3
Government – less than 90 days past due	13.1	22.8
Government – more than 90 days past due	1.5	2.8
Private & Government related – not due	875.1	913.1
Private & Government related – less than 90 days past due	35.8	39.5
Private & Government related – more than 90 days past due	14.3	16.7
Total gross carrying amount	**2,245.4**	1,947.2
Credit impaired – specific allowance	18.1	18.1
Not credit impaired – lifetime expected credit loss	6.5	4.4
Loss allowance on trade receivables and contract assets arising from contracts with customers	**24.6**	22.5

The Group has policies to manage its overall exposure to credit risk as set out in Note G2(e).

In assessing lifetime expected credit losses (ECL) as at 30 June 2026, the Group has considered the risk arising from the general economic environment such as inflation, interest rates and potential defaults occurring within the contracting environment in which Downer partially operates. The Group has assessed ECLs by segmenting the portfolio of trade receivables and contract assets by customer (i.e. Government and Private & Government related) to better assess inherent credit risk. The Group defines counterparties as 'Government' if the contract is with a Federal, State or Local Government body. Any counterparties other than those defined as 'Government', are classified as 'Private & Government related', and include sectors heavily regulated by Government organisations (such as Gas and Electricity), Blue-Chip listed companies, contracts run under the Public-Private-Partnership model ((PPPs) for which Government organisations are often the end customer), large multinational companies, network infrastructure companies, as well as other private sector businesses.

The credit risk associated with Government balances is considered to be negligible (2025: negligible) due to the high creditworthiness of the counterparties. No 'Government' related balances are currently in default.

For 'Private & Government related' balances, the Group has assessed the potential credit risk of default on key customers utilising credit ratings provided by financial institutions. For those 'Private & Government related' receivables/contract assets that are ultimately backed by the Government or a Government body, the credit risk is considered to be low or negligible. For those counterparties that are currently in default or a risk of default is determined, the Group has recognised specific impairment/credit allowances. As at 30 June 2026, the $24.6 million (2025: $22.5 million) loss allowance includes a specific provision of $18.1 million (2025: $18.1 million) in relation to Probuild Pty Ltd as this customer went into administration in 2022.

Based on the above methodology and in reference to past default experience, the ECLs have increased from $4.4 million at 30 June 2025 to $6.5 million at 30 June 2026.

Credit losses on 'Private & Government related' counterparty balances have historically averaged less than 1%. The allowance for credit losses, excluding specific provisions, is 0.7% (2025: 0.5%) of the trade receivables and contract assets.

Recognition and measurement

Trade receivables

Trade receivables and other receivables are held with the objective of collecting contractual cash flows and are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less an allowance for impairment.

Contract assets

Contract assets primarily relate to the Group's rights to consideration for work performed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights have become unconditional. This usually occurs when the Group issues an invoice in accordance with contractual terms to the customer.

Payments from customers are received based on a billing schedule/milestone basis, as established in our contracts.

Costs to obtain or fulfil contracts

Costs incremental to obtaining a contract and that are expected to be recovered or are explicitly chargeable to the customer regardless of whether the contract is obtained are capitalised.

Financial assets and liabilities

AASB 9 *Financial Instruments* (AASB 9) contains a classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Fair value

Due to the short-term nature of these financial rights, the carrying amounts of trade receivables and contract assets are considered to represent their fair values.

Impairment

The Group has applied the simplified approach to recognise lifetime expected credit losses for trade receivables and contract assets as permitted by AASB 9.

The Group considers the relevant credit risk associated with disaggregated portions of the financial assets and after considering specific provisions against counterparties and defaults, applies an expected credit loss (ECL) percentage derived from recorded historic credit losses associated with specific population. The key disaggregation of the balances is between those that are backed by Government funding and those that are not and between those that are current or are overdue less than 90 days or become more than 90 days overdue. The Group exercises considerable judgement about how economic factors (such as interest rates and inflation) affect the ECL of each of the disaggregated balances independently, and applies a premium as deemed appropriate to adjust the historically determined default rates to present the total expected credit losses on the current balances.

This impairment model applies to financial assets measured at amortised cost or FVOCI (except for investments in equity instruments).

Key estimate: Credit risk

Credit risk represents the risk that a counterparty will fail to perform an obligation causing a financial loss to the Group. The Group minimises credit risk by undertaking transactions with a large number of customers in various industries and geographical areas. A credit risk management policy is in place and exposure to credit risk is monitored on an ongoing basis.

The Group uses historical information as a basis for the estimation of expected credit losses and then adjusts its assessment of credit risk based on current macro/micro-economic conditions; however, judgement is applied in doing this assessment.

C3. Inventories

	2026 $'m	2025 $'m
Raw materials	36.9	45.9
Work in progress	4.7	6.2
Finished goods	44.2	54.7
Components and spare parts	104.5	94.2
Total inventories	**190.3**	201.0

Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The Group has considered the net realisable value of inventories at reporting date. An inventory provision is recognised where the net realisable value from the sale of inventory is estimated to be lower than carrying value.

C4. Trade payables and contract liabilities

	2026 $'m	2025 $'m
Trade payables	692.9	628.6
Contract liabilities	213.8	249.4
Accruals	1,310.9	1,091.7
Other payables	109.9	133.6
Total trade payables and contract liabilities	**2,327.5**	2,103.3
Included in the financial statements as:		
Current	2,282.7	2,059.1
Non-current	44.8	44.2

Recognition and measurement

Trade payables, accruals and other payables

Trade payables, accruals and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

Contract liabilities

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when work is performed under the contract.

If the net amount of the Group's rights to consideration for work performed after deduction of progress payments received is negative, the difference is recognised as a liability and included as part of Contract liabilities.

Of the Contract liabilities balance of $249.4 million at 30 June 2025, substantially all of this revenue has been recognised in the current year.

Fair value

Due to the short-term nature of these financial obligations, their carrying amounts are estimated to represent their fair values.

C5. Property, plant and equipment

2026 $'m	Note	Freehold land and buildings	Plant, equipment and leasehold improvements	Total
Balance as at 1 July 2025		121.4	665.4	**786.8**
Additions		1.7	122.9	**124.6**
Disposals at net book value		–	(6.4)	**(6.4)**
Depreciation expense		(1.5)	(106.4)	**(107.9)**
Impairment charge(i)	B3	(0.2)	(20.2)	**(20.4)**
Internal transfers		0.6	(7.3)	**(6.7)**
Net foreign currency exchange differences at net book value		(0.5)	(21.1)	**(21.6)**
Net book value as at 30 June 2026		**121.5**	**626.9**	**748.4**
Cost		176.6	1,697.4	**1,874.0**
Accumulated depreciation and impairment		(55.1)	(1,070.5)	**(1,125.6)**

(i) Impairment recognised following review of the carrying value of fixed assets including buildings and equipment associated with a Rail site and two asphalt plants in the Transport segment. Refer to Note B3.

2025 $'m	Freehold land and buildings	Plant, equipment and leasehold improvements	Total
Balance as at 1 July 2024	138.1	703.1	841.2
Additions	3.1	113.8	116.9
Disposals at net book value	(0.1)	(10.4)	(10.5)
Depreciation expense	(2.7)	(108.5)	(111.2)
Impairment charge(ii)	(17.4)	(29.3)	(46.7)
Internal transfers	0.3	(3.9)	(3.6)
Transferred to disposal group assets held for sale	–	(2.1)	(2.1)
Net foreign currency exchange differences at net book value	0.1	2.7	2.8
Net book value as at 30 June 2025	121.4	665.4	786.8
Cost	176.7	1,720.9	1,897.6
Accumulated depreciation and impairment	(55.3)	(1,055.5)	(1,110.8)

(ii) Impairment recognised following review of the carrying value of fixed assets including buildings and equipment associated with a Rail site in the Transport segment.

Recognition and measurement

The value of property, plant and equipment is measured as the cost of the asset less accumulated depreciation and impairment.

The expected useful life and depreciation methods used are listed below:

Item	Useful life	Depreciation method
Freehold land	n/a	No depreciation
Buildings	20 to 50 years	Straight-line
Leasehold improvements	Lease term	Straight-line
Plant and equipment – power and gas	Working hours	Based on hours of use
Plant and equipment – other	3 to 25 years	Straight-line

Key estimate: Useful lives

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leasehold improvements) and turnover policies. In addition, the condition of the assets is assessed at least annually and considered against the remaining useful life. The residual value and useful life of assets is reviewed at least at each financial year end.

C6. Right-of-use assets

The Group leases many assets including property, motor vehicles and plant and equipment. Information about leased assets for which the Group is a lessee is presented below:

2026 $'m	Note	Leasehold property	Motor vehicles	Plant and equipment	Total
Balance as at 1 July 2025		184.0	105.1	73.4	**362.5**
Additions		10.5	41.3	17.8	**69.6**
Remeasure		12.1	8.6	11.5	**32.2**
Depreciation expense		(39.3)	(50.8)	(30.7)	**(120.8)**
Impairment charge[(i)]	B3	(2.2)	–	–	**(2.2)**
Disposals at net book value		(1.7)	(6.8)	(2.0)	**(10.5)**
Net foreign currency exchange differences at net book value		(7.3)	(3.4)	(8.0)	**(18.7)**
Net book value as at 30 June 2026		**156.1**	**94.0**	**62.0**	**312.1**
Cost		418.5	245.5	176.1	**840.1**
Accumulated depreciation and impairment		(262.4)	(151.5)	(114.1)	**(528.0)**

(i) Includes impairment recognised following review of the carrying value of Right-of-use assets related to an office lease termination in the Unallocated Segment of $1.4 million. Refer to Note B3

2025 $'m	Leasehold property	Motor vehicles	Plant and equipment	Total
Balance as at 1 July 2024	218.8	110.4	83.7	412.9
Additions	5.3	54.6	27.4	87.3
Remeasure	10.1	11.3	13.5	34.9
Depreciation expense	(47.1)	(59.8)	(34.0)	(140.9)
Impairment charge[(ii)]	(1.4)	–	–	(1.4)
Transferred to disposal group assets held for sale	(2.0)	(7.3)	(16.5)	(25.8)
Disposals at net book value	(0.7)	(4.6)	(1.7)	(7.0)
Net foreign currency exchange differences at net book value	1.0	0.5	1.0	2.5
Net book value as at 30 June 2025	184.0	105.1	73.4	362.5
Cost	444.1	292.6	197.7	934.4
Accumulated depreciation and impairment	(260.1)	(187.5)	(124.3)	(571.9)

(ii) Impairment recognised following review of the carrying value of Right-of-use assets related to an office lease termination in the Unallocated Segment and $0.3 million associated with a Rail site in the Transport segment.

Recognition and measurement

The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives and any initial direct costs incurred by the lessee
- An estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset.

Subsequently the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is depreciated over the shorter period of the lease term and the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflect that the Group will exercise a purchase option, the asset will be depreciated from the commencement date to the end of the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Where the initially anticipated lease term is subsequently reassessed, any changes are reflected in a remeasurement of the lease liability and a corresponding adjustment to the asset.

If the recoverable amount of a right-of-use asset is less than its carrying value, an impairment charge is recognised in the profit or loss, and the carrying value of the asset is written down to its recoverable amount. Should the recoverable amount increase in future periods the carrying value may be adjusted to the lower of the recoverable value or the amortised cost of the asset had it not been impaired.

Key estimate and judgement:

Useful lives (lease terms)

The estimation of the useful lives has been based on the assets' lease terms. There are a number of judgements made in determining the lease terms as noted in the Key estimates and judgements section of Note E3.

The expected useful life of the asset includes a judgement as to whether available extension changes will be exercised. Changes to this assessment are reflected as a remeasurement, with a corresponding adjustment for the liability.

Recoverable value

In assessing whether a right-of-use asset is impaired, estimation is required to determine the recoverable value of the asset. For corporate right-of-use assets, impairment is assessed against the recoverable amount of cash-generating units to which they are allocated.

For surplus and vacated right-of-use assets an impairment test is performed for the individual right-of-use asset, including consideration of estimated sub-lease income.

C7. Intangible assets

2026 $'m	Goodwill	Customer contracts and relationships	Brand names on acquisition	Intellectual property on acquisition	Software and system development	Total
Balance as at 1 July 2025	1,764.0	106.4	45.5	1.1	113.8	**2,030.8**
Additions	5.1	–	–	–	17.7	**22.8**
Amortisation expense	–	(14.4)	(3.7)	(0.2)	(34.9)	**(53.2)**
Internal transfers	–	–	–	–	6.7	**6.7**
Net foreign currency exchange differences at net book value	(13.0)	–	(1.0)	–	(0.7)	**(14.7)**
Net book value as at 30 June 2026	**1,756.1**	**92.0**	**40.8**	**0.9**	**102.6**	**1,992.4**
Cost	2,556.5	491.5	77.3	2.4	424.8	**3,552.5**
impairment	(800.4)	(399.5)	(36.5)	(1.5)	(322.2)	**(1,560.1)**

2025 $'m	Goodwill	Customer contracts and relationships	Brand names on acquisition	Intellectual property on acquisition	Software and system development	Total
Balance as at 1 July 2024	1,762.3	130.9	51.1	1.2	174.6	2,120.1
Additions	–	–	–	–	3.4	3.4
Amortisation expense	–	(21.7)	(5.6)	(0.2)	(62.9)	(90.4)
Impairment charge(i)	–	–	–	–	(4.9)	(4.9)
Internal transfers	–	–	–	–	3.6	3.6
Transferred to disposal group assets held for sale	–	–	–	–	(0.2)	(0.2)
Disposal of businesses	–	(2.8)	–	–	–	(2.8)
Net foreign currency exchange differences at net book value	1.7	–	–	0.1	0.2	2.0
Net book value as at 30 June 2025	1,764.0	106.4	45.5	1.1	113.8	2,030.8
Cost	2,564.4	492.9	79.0	2.4	522.5	3,661.2
Accumulated amortisation and impairment	(800.4)	(386.5)	(33.5)	(1.3)	(408.7)	(1,630.4)

(i) $4.9 million impairment recognised after reviewing of the carrying value of assets as part of technology simplification program in the Energy & Utilities segment.

Recognition and measurement

Goodwill

Goodwill acquired in a business combination is measured at cost and subsequently measured at cost less any impairment losses. The cost represents the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Customer contracts and relationships on acquisition

Customer contracts and relationships acquired as part of a business combination are recognised separately from goodwill and are carried at fair value at date of acquisition less accumulated amortisation and any accumulated impairment losses.

Brand names on acquisition

Brand names acquired as part of a business combination are recognised separately from goodwill and are carried at fair value at date of acquisition less accumulated amortisation and any accumulated impairment losses.

Intellectual property on acquisition

Intellectual property acquired as part of a business combination is recognised separately from goodwill and is carried at fair value at date of acquisition less accumulated amortisation and any accumulated impairment losses.

Intellectual property, software and system development

Intangible assets acquired by the Group, including intellectual property (purchased patents and trademarks) and software are initially recognised at cost, and subsequently measured at cost less accumulated amortisation and any impairment losses.

Development costs that are directly attributable to the design and testing of an identifiable internally generated intangible asset controlled by the Group are recognised as an intangible asset where the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use
- Management intends to complete the intangible asset and use or sell it
- There is an ability to use or sell the intangible asset
- It can be demonstrated how the internally generated intangible asset will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the intangible asset are available, and
- The expenditure attributable to the intangible asset during its development and testing can be reliably measured.

The costs capitalised include consulting and direct labour costs. Costs incurred in determining project feasibility are expensed as incurred.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date.

For SaaS arrangements, the Group assesses if the contract will provide a resource that it can 'control' to determine whether an intangible asset is present. If the Group cannot determine control of the software, the arrangement is deemed a service contract and any implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when incurred.

Amortisation

Intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives. The estimated useful lives are generally:

Item	Useful life
Customer contracts and relationships	1-20 years
Brand names	20 years
Intellectual property acquired	15-20 years
Software and system development[(i)]	1-15 years

(i) Certain software and system development asset useful lives were revised in prior year. Accelerated amortisation has been recognised in both the current and prior financial year. Refer to Note B3.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

Impairment of assets

The Group assesses at each reporting date, whether there are any indicators that assets may be impaired. If any indicators exist, the Group estimates the recoverable amount of the asset.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash- generating units or CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Goodwill impairment testing is discussed below.

Allocation of goodwill to groups of Cash-Generating Units (CGUs)

Goodwill has been allocated for impairment testing purposes to groups of CGUs that represent the lowest level within the group at which goodwill is monitored for internal management purposes.

In the current year, the NZ Building CGU was combined into the Transport and Infrastructure CGU. Goodwill allocated to the NZ Building CGU has been tested as part of the Transport and Infrastructure CGU.

The goodwill allocation to each of the Groups of CGUs is presented below:

		Carrying value of consolidated goodwill	
CGU	**Segment**	**2026 $'m**	**2025 $'m**
Transport and Infrastructure	Transport	379.2	327.4
Rail & Transit Systems	Transport	55.3	55.3
Energy & Utilities	Energy & Utilities	506.7	505.6
Social Infrastructure & Citizen Services	Facilities	814.9	813.4
NZ Building	Transport	-	62.3
		1,756.1	1,764.0

Key estimates and judgements: Intangible assets

Impairment of assets

Determination of potential impairment requires an estimation of the recoverable amount of each of the CGUs to which the goodwill and intangible assets with indefinite useful lives are allocated. Key assumptions requiring judgement include projected cash flows, discount rates, budgeted revenue growth rate, EBIT margin, and long-term growth rate.

Projected cash flows include assumptions on:

- Contract awards, extensions and renewals, including potentially significant individual contracts (refer to separate key estimate and judgement below)
- Contracts assumed to continue to term with no exercise of termination for convenience clauses in contracts
- Inflation including wage inflation, where the Group's exposure to inflationary pressures in labour and other costs in its contracts is partially mitigated by contractual mechanisms and allowances for price movements
- No change in government regulation, including in relation to carbon emissions.

Contract awards, extensions and renewals or continuation

Estimated cash flows include assumptions on:

- New contract awards from projects being tendered or expected to be tendered in the future and assumptions on future win rates of projects not specifically identified
- Contracts with existing customers are extended via exercise of options in existing contracts or negotiated extension or renewal on reasonably consistent terms
- Contracts assumed to continue to term with clauses allowing customers to terminate for convenience assumed not be exercised, noting customers may not be able to find alternative suppliers and the Group does not currently expect any terminations.

The assumptions above may include significant individual contracts that if not won, extended or renewed, or if terminated early, it is reasonably possible that this may result in an adjustment to the carrying amount of CGUs.

Estimation of useful life

The estimation of the economic useful life of software is initially determined based on historical experience. The useful lives of intangible assets recognised on business combinations are independently determined based on detailed reviews of similar assets and underlying factors. These useful lives are regularly reassessed for indicators of any change to the initial assessments. If the economic useful lives are determined to have changed, the amortisation of the assets is adjusted to reflect the new expected useful life, impacting the future amortisation recognised.

Recoverable amount testing

The recoverable amount is defined as the higher of a cash-generating unit's fair value less costs of disposal (FVLCD) and its value in use (VIU). The recoverable amounts of all of the CGUs have been assessed using a VIU methodology in 2025 and 2026. For more information on 2025 goodwill impairment testing, refer to the 2025 Annual Report.

Value in use calculation

In assessing VIU, the estimated future cash flows are discounted to their present value using a discount rate that uses current market assessments of the time value of money and the risks specific to the CGU.

Cash flow projections are determined utilising budgeted Earnings Before Interest and Tax (EBIT) less capital maintenance spending, corporate cost allocation, tax payments and working capital changes to provide a 'free cash flow' estimate.

This calculated 'free cash flow' is then discounted to its present value using a post-tax discount rate with consideration given to the estimated Weighted Average Cost of Capital for the Group, adjusted for business-specific risks of the CGU.

In the current year, the Group has determined the recoverable amount using cash flow projections based on the FY27 budget and business plan for FY28 to FY31, as approved by the Board. The Group assumes a long-term growth rate of 2.5% in the terminal year.

Results of impairment testing

For all CGUs, the recoverable values are greater than the carrying value of their operating assets. No impairment has been identified.

Recoverable amount testing – Key assumptions

The table below summarises the key assumptions utilised in the VIU discounted cash flow models.

	2026				2025			
	Revenue Growth(i)	EBITA margin(ii)	Long-term growth rate	Discount rate (post-tax)(iii)	Revenue Growth(i)	EBITA margin(ii)	Long-term growth rate	Discount rate (post-tax)
Transport & Infrastructure	4.5 %	6.0 %	2.5 %	9.5 %	2.6 %	9.2 %	2.5 %	9.2 %
Rail & Transit Systems	1.1 %	5.8 %	2.5 %	9.2 %	(0.1)%	8.1 %	2.5 %	8.9 %
Energy & Utilities	8.5 %	6.6 %	2.5 %	9.5 %	7.1 %	8.6 %	2.5 %	9.3 %
Social Infrastructure & Citizen Services	4.5 %	6.3 %	2.5 %	9.2 %	3.7 %	6.8 %	2.5 %	8.9 %
NZ Building	n.a.	n.a.	n.a.	n.a.	5.7 %	3.1 %	2.5 %	9.3 %

(i) CGU Revenue growth is expressed as the 5 year compound annual growth rate (CAGR) from FY26 to terminal year (FY31) based on the CGU's business plan. This is different to the management ambition referenced in the 2026 Investor Presentation of 4 year CAGR from FY26 underlying revenue of Transport (3-4%), Energy & Utilities (8-9%) and Facilities (4-5%) Segments.

(ii) EBITA margin represents the terminal year (FY31) forecast margin based on the CGU's business plan. Margins reflect a full allocation of corporate overheads as required under AASB 136 Impairment of Assets. This is different to the management ambition referenced in the 2026 Investor Presentation of FY30 EBITA margin target of Transport (Towards 6.5%), Energy & Utilities (Towards 7.0%) and Facilities (Towards 6.5%) that do not reflect a full allocation of corporate costs consistent with the basis presented within Note B1 Segment Information.

(iii) Pre-tax discount rates are 12.8% (Transport & Infrastructure), 12.3% (Rail & Transit Systems), 12.7% (Energy & Utilities) and 12.4% (Social Infrastructure & Citizen Services).

(i) Projected cash flows – including budgeted revenue and EBIT margin

Value in use calculations

Cash flow forecasts

The cash flow projections through to the terminal year are based on the Group's past experience and assessment of economic and regulatory factors affecting the business in which the Downer businesses operate and reflect key assumptions above.

In preparing the impairment models in 2026, the Group considered the experience in the last 12-months results in developing the cash flow forecasts. For additional information on CGU current performance and prospects see commentary within Segment performance in the Operating and Financial Review and the 2026 Investor Presentation.

(ii) Long-term growth rates

The long-term annual growth rates, applicable for the periods after which detailed forecasts have been prepared, are based on the long-term expected GDP rates for the country of operation, adjusted as necessary to reflect industry-specific considerations. The Group assumes a long-term growth rate of 2.50% (FY25: 2.50%) to allow for organic growth on the existing asset base.

(iii) Discount rates

Discount rates reflect the Group's estimate of the time value of money and risks associated with each CGU. In determining the appropriate discount rate for each CGU, consideration has been given to the estimated weighted average cost of capital (WACC) for the Group adjusted for country and business risks specific to that CGU. The post-tax discount rate is applied to post-tax cash flows that include an allowance for tax based on the respective jurisdiction's tax rate. This method is used to approximate the requirement of the accounting standards to apply a pre-tax discount rate to pre-tax cash flows.

Compared to 2025, WACCs have increased between 20 to 30 basis points . This resulted in 2026 post-tax discount rates to be between 9.2% and 9.5% (June 2025: between 8.9% and 9.3%). The increase is mainly due to an increase in the observable risk free rate, (measured through the 10 year corporate bond rates), which has been partially offset by reductions in the observable peer group betas (a measure of relative risk).

(iv) Budgeted capital expenditure

The expected cash flows for capital expenditure are based on planned future purchases and current asset profile.

The amounts included in the terminal year calculation are for maintenance capital and leases used for existing plant and replacement of plant as it is retired from service. The resulting expenditure has been compared against the annual depreciation charge to confirm that it is reasonable.

(v) Budgeted working capital

Working capital has been maintained at a level required to support the business activities of each CGU, considering changes in the business cycle. It has been assumed to be in line with historic trends given the level of operating activity.

(vi) Corporate costs

Corporate costs, as well as corporate assets, have been allocated across each CGU.

Impact of climate change

The Group's climate-related risks and opportunities are discussed in Downer's Sustainability Report contained in this report (page 55).

For impairment assessment the Group has assessed the following:

- Physical risks to Downer's non-current assets, including key sites and locations, arise from events such as extreme rainfall and flooding events, prolonged exposure to rain and severe weather. These events may impact the Group through downtime and project delays, increasing operational costs and/or impacting assets. Based on the Group's quantified assessment in FY26, the impact was considered to be immaterial to the Group's future cash flows. Whilst prolonged periods of extreme weather can impact short-term prospects, the assessment indicates Downer is resilient to physical risks due to the Group operating across multiple industries and diverse locations, insurance coverage, contract pass through mechanisms and business opportunities arising from increased government and private spending on infrastructure due to the same extreme weather events.
- Transition risks are primarily associated with the Group's current emissions profile. The principal sources of Scope 1 and 2 carbon emissions are liquid fuels (including subcontractor usage) and asphalt plant burners (75%, gas for asphalt plants and ancillary use 14%) and electricity (11%). Transition risks include the impact of carbon pricing legislation, direct price increases of equipment and fuel usage. The Group has assessed, based on information currently available, the impacts from these risks will not materially impact the Group's future cash flows.
- Vehicle emissions stem from both internal operations and subcontracted suppliers. The Group's strategy to reduce these emissions focuses on the potential use of lower emission fuels and a phased transition to alternative fuel (lower emissions) vehicles. This transition will occur gradually, with replacements aligned with lease renewals and procurement for new contracts. Light vehicles are expected to transition sooner than heavy vehicles, contingent on the availability of alternative fuels or recharging infrastructure, especially in remote areas, and advances in heavy vehicle technology. The Group assesses that any additional cost as a result of a requirement by customers to specify use of low or no emission vehicles in advance of wider adoption would be recoverable from the customer. There is no material impact on current carrying value of existing vehicle fleet.
- Emissions from fuel, gas and electricity are primarily generated by asphalt production, road paving and maintenance. The Group continues to consider renewables, efficiency measures, and explore the use of alternative fuels in asphalt production. However, the transition to alternative fuels will depend on technological advancements and availability at scale. Currently, asphalt plants are not covered by the Australian Safeguard Mechanism, meaning they are not required to reduce emissions below a decreasing baseline, which would otherwise impose additional direct costs or necessitate purchasing carbon credits. The Group anticipates that customer-driven requirements to offset and/or reduce emissions would be significantly recoverable from the customer. There is no material impact on the current carrying value of asphalt plants.

Sensitivities

For all CGUs, the base line modelling was subject to sensitivity analyses around discount rate, long-term growth rate and cash flow assumptions.

Should the scale of any CGU decline as a result of change in a key assumption, it is likely that the Group would review the corporate and overhead structures to ensure they are appropriate for the scale of business and opportunities available.

For all CGUs, management believe that any reasonable change in the key assumptions would not cause the carrying value of the CGUs to exceed their recoverable amount.

C8. Other provisions

2026 $'m	Decommissioning and restoration	Onerous contracts	Warranties and other	Total
Balance as at 1 July 2025	31.4	14.1	103.4	**148.9**
Additional provisions recognised	7.3	2.3	69.5	**79.1**
Unused provisions reversed	(1.8)	(2.0)	(12.2)	**(16.0)**
Utilisation of provisions	(1.6)	(9.3)	(23.3)	**(34.2)**
Reclassification	(1.4)	-	1.4	**-**
Net foreign currency exchange differences	(0.5)	(0.1)	(2.3)	**(2.9)**
Balance as at 30 June 2026	**33.4**	**5.0**	**136.5**	**174.9**
Included in the financial statements as:				
Current	11.2	4.0	126.7	**141.9**
Non-current	22.2	1.0	9.8	**33.0**

Recognition and measurement

Provisions

Provisions are recognised when:

- The Group has a present obligation as a result of a past event,
- It is probable that resources will be expended to settle the obligation, and
- The amount of the provision can be measured reliably.

(i) Decommissioning and restoration

Provisions for decommissioning and restoration are made for close down, restoration and environmental rehabilitation costs, including the cost of dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas.

Future rectification costs are reviewed annually and any changes are reflected in the present value of the rectification provision at the end of the reporting period.

The provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(ii) Onerous contracts

Provisions include amounts recognised in relation to onerous customer contracts.

The onerous contract provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The onerous contract provision is measured using the full cost method, based on incremental costs and an allocation of other direct costs.

(iii) Warranties and other

Provisions include amounts recognised for warranties and divestment-related provisions. Warranty provisions are made for the estimated liability on all goods and services still under warranty, that may be either contractual or statutory, and provisions for defect liabilities at balance sheet date.

Key estimates and judgements: Other provisions

Decommissioning and restoration

Judgement is required in determining the expected expenditure required to settle rectification obligations at the reporting date, based on current legal requirements, technology and estimates of inflation.

Onerous contracts

These provisions have been calculated based on management's best estimate of net cash outflows required to fulfil the contracts. The status of these contracts and the adequacy of provisions are assessed at each reporting date.

Any change in the assessment of provisions impacts the results of the business.

Warranties and other

The provision is estimated having regard to previous claims experience. For further explanation of judgements on warranty provisions refer to Note B2.

C9. Contingent liabilities

Bonding	Note	2026 $'m	2025 $'m
The Group has bid bonds and performance bonds issued in respect of contract performance in the normal course of business for controlled entities	E2	**1,123.1**	1,240.4

In addition, the Group is called upon to give guarantees and indemnities to counterparties, relating to the performance of contractual and financial obligations (including for controlled entities and related parties). Other than as noted, these guarantees and indemnities are indeterminable in amount.

Other contingent liabilities

i. The Group is subject to design liability in relation to completed design and construction projects. It is not possible to reliably estimate these claims and the Directors are of the opinion that there is adequate insurance to cover this area. No amounts are recognised in the financial statements.

ii. The Group is subject to ongoing fitness for purpose and defect liability obligations in relation to contracts. It is not possible to reliably estimate these obligations.

iii. The Group is subject to product liability claims. Provision is made for the potential costs of carrying out rectification works based on known claims and previous claims history.

iv. Controlled entities have entered into various joint arrangements under which the controlled entity is jointly and severally liable for the obligations of the relevant joint arrangements.

v. The Group carries the normal contractors' and consultants' liability in relation to services, supply and construction contracts (for example, liability relating to professional advice, design, completion, workmanship and damage), as well as liability for personal injury/property damage during the course of a project. Potential liability may arise from claims, disputes and/or litigation/arbitration by or against Group companies and/or joint venture arrangements in which the Group has an interest. The Group is currently managing a number of claims and dispute processes in relation to services, supply and design and construction contracts as well as in relation to personal injury and property damage claims arising from project delivery. Two disputes with customers in relation to contractors liability have not been disclosed separately as disclosure can be expected to prejudice the position of the Group.

vi. In December 2022, Downer received correspondence notifying an alleged stray current defect in the depot constructed by Downer for the High Capacity Metro Trains Project and has received subsequent correspondence alleging that Downer is responsible for the costs of rectification. Downer denies liability and the matter has been referred to arbitration.

vii. Since 2023, Downer has been defending a class action proceeding in which it is alleged Downer breached continuous disclosure obligations and that it engaged in misleading or deceptive conduct in the period 23 July 2019 to 24 February 2023 by making and/or failing to correct or qualify various statements in connection with a maintenance contract in its Australian Utilities business and Downer's financial performance. Downer's former auditor is also a defendant to the proceedings. No date has been set by the Court for the trial of the proceeding.

viii. On 12 December 2024, the Australian Competition and Consumer Commission (ACCC) commenced civil proceedings against Spotless Facility Services Pty Ltd, a Downer subsidiary, relating to allegations concerning the supply of estate maintenance and operations services to the Department of Defence. The ACCC release to ASX on 12 December 2024 includes further details. Downer denies the ACCC allegations and is defending the proceedings.

ix. In the ordinary course of business, contingent liabilities exist in respect of claims and potential claims against entities in the consolidated entity. The consolidated entity does not consider that the outcomes of any such claims known to exist at the date of this report, either individually or in aggregate, are likely to have a material effect on its operations or financial position.

Key judgements: Contingent liabilities

Obligation

Judgement is required in determining if a possible obligation or present obligation arises from past events.

Probability of outflow

Judgement is required in determining if the probability of outflow is between remote, where no disclosure is required, and probable, where provision recognition is required.

Reliability of measurement

Judgement is required in determining if an obligation cannot be measured with sufficient reliability for disclosure as a contingent liability.

D_Employee benefits

This section provides a breakdown of the various programs Downer uses to reward and recognise employees and key executives, including Key Management Personnel (KMP). Downer believes that these programs reinforce the value of ownership and incentives and drive performance both individually and collectively to deliver better returns to shareholders.

D1. Employee benefits

	2026 $'m	2025 $'m
Employee benefits expense:		
– Defined contribution plans costs	182.0	190.9
– Share-based employee benefits expense	5.0	3.7
– Employee benefits	2,664.9	2,917.8
– Redundancy costs	21.3	22.1
– Defined benefit plan costs	-	1.5
Total employee benefits expense	**2,873.2**	3,136.0
Employee benefits provision:		
– Current	268.4	280.4
– Non-current	21.1	24.4
Total employee benefits provision	**289.5**	304.8

Recognition and measurement

The employee benefits liability represents accrued wages and salaries, leave entitlements and other incentives recognised in respect of employees' services and redundancy costs up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs, such as workers compensation insurance, superannuation and payroll tax.

Key estimates and judgements: Employee benefits obligations

Annual leave and long service leave

Long-term employee benefits are measured at the present value of estimated future payments for the services provided by employees up to the end of the reporting period. This calculation requires judgement in determining the following key assumptions:

- Future increase in wages and salary rates
- Future on-cost rates
- Expected settlement dates based on staff turnover history.

The liability is discounted using the Australian corporate bond rates which most closely match the terms to maturity of the entitlement.

For New Zealand employees the liability is discounted using long-term government bond rates given there is no deep corporate bond market.

D2. Defined benefit plan

The Equipsuper Defined benefit plan was derecognised as part of the sale of the Energy and Utilities customer contract which was completed on 31 July 2025 (refer to Note F6). The Group has no other defined benefit plans. For information on the Equipsuper plan derecognised, please refer to disclosure in the prior year.

D3. Key management personnel compensation

	2026 $'000	2025 $'000
Short-term employee benefits	5,430	5,290
Post-employment benefits	229	205
Other long-term benefits	72	28
Share-based payments	3,065	1,779
Total	**8,796**	7,302

Recognition and measurement

Equity-settled transactions

Equity-settled share-based transactions are measured at fair value at the date of grant. The cost of these transactions is recognised in profit or loss and credited to equity over the vesting period. At each balance sheet date, the Group revises its estimates of the number of rights that are expected to vest for service and non-market performance conditions.

The expense recognised each year takes into account the most recent estimate.

The fair value at grant date is independently determined using an option pricing model and takes into account any market-related performance conditions. Non-market vesting conditions are not considered when determining value; however, they are included in assumptions about the number of rights that are expected to vest.

Cash-settled transactions

The amount payable to employees in respect of cash-settled share-based payments is recognised as an expense, with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value, with any changes in the liability being recognised in profit or loss.

D4. Employee Discount Share Plan

No shares were issued under the Employee Discount Share Plan during the years ended 30 June 2026 and 30 June 2025.

E_Capital structure and financing

This section provides information relating to the Group's capital structure and its exposure to financial risks, how they affect the Group's financial position and performance and how the risks are managed.

The capital structure of the Group consists of debt and equity. The Directors determine the appropriate capital structure of Downer, specifically how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the current and future activities of the Group. The Directors review the Group's capital structure and dividend policy regularly and do so in the context of the Group's ability to continue as a going concern, to invest in opportunities that grow the business and enhance shareholder value.

E1. Borrowings

	2026 $'m	2025 $'m
Current		
Unsecured:		
– Insurance Premium Funding	1.7	–
– USD private placement notes	–	152.7
– AUD private placement notes	–	30.0
– AUD medium term notes	–	501.9
– Deferred finance charges	–	(1.4)
Total current borrowings	**1.7**	**683.2**
Non-current		
Unsecured:		
– Bank loans	495.0	300.0
– AUD medium term notes	400.0	–
– JPY medium term notes	89.7	106.1
– Deferred finance charges	(2.4)	(4.3)
Total non-current borrowings	**982.3**	401.8
Total borrowings	**984.0**	1,085.0
Fair value of total borrowings(i)	992.4	1,086.4

(i) Excludes lease liabilities.

Recognition and measurement

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Fair value

The cash flows under the Group's debt instruments are discounted using current market base interest rates and adjusted for current market credit default swap spreads for companies with a BBB credit rating.

E2. Financing facilities

At reporting date, the Group had the following facilities that were unutilised:

	2026 $'m	2025 $'m
Syndicated loan facilities	900.0	900.0
Syndicated Bridge loan facilities	–	400.0
Bilateral loan facilities	130.0	325.0
Total unutilised loan facilities	**1,030.0**	**1,625.0**
Syndicated bank guarantee facilities	–	17.0
Bilateral bank guarantee and insurance bonding facilities	678.8	645.4
Total unutilised bonding facilities	**678.8**	**662.4**

Summary of borrowing arrangements

The Group's borrowing arrangements are as follows:

Bank loan facilities

Bilateral loan facilities:

The Group has a total of $325.0 million (2025: $325.0 million) in committed bilateral loan facilities which has no specific security.

Syndicated bridge loan facilities:

The syndicated bridge loan facility was cancelled in May 2026 following the issue of the $400.0 million MTN (2025: $400.0 million).

Syndicated loan facilities:

The Group has $1,200.0 million (2025: $1,200.0 million) of committed syndicated bank loan facilities which has no specific security.

USD private placement notes

USD unsecured private placement notes matured in July 2025 and were repaid (2025: US$100.0 million). The USD denominated principal and interest amounts were fully hedged against the Australian dollar through cross-currency interest rate swaps.

AUD private placement notes

AUD unsecured private placement notes matured in July 2025 and were repaid (2025: $30.0 million).

Medium Term Notes (MTNs)

The Group has the following unsecured MTNs on issue:

- $400.0 million (June 2025: $500.0 million) maturing April 2033
- JPY 10.0 billion (June 2025: JPY 10.0 billion) maturing May 2033

A new MTN for $400.0 million Australian Dollars was issued in April 2026 and replaced the maturing $500.0 million MTN with the balance funded with available cash and Bilateral Loan Facilities.

The JPY denominated principal and interest amounts have been fully hedged against the Australian dollar through a cross-currency interest rate swap.

The above loan facilities and note issuances are supported by guarantees from certain Group subsidiaries.

Insurance Premium Funding

A Joint Operation in which Downer has a 50% share entered into an Insurance Premium Funding arrangement with a maturity of July 2026. The Group has recorded $1.7 million as an unsecured current liability being the group's share of the outstanding balance at 30 June 2026.

The maturity profile of the Group's borrowing arrangements by financial year is represented in the below table by facility limit:

Maturing in the period ($'m)	Bilateral Loan Facilities	Syndicated Loan Facilities	Medium Term Notes	Total
1 July 2027 to 30 June 2028	275.0	–	–	**275.0**
1 July 2028 to 30 June 2029	50.0	500.0	–	**550.0**
1 July 2029 to 30 June 2030	–	400.0	–	**400.0**
1 July 2031 to 30 June 2032	–	300.0	–	**300.0**
1 July 2032 to 30 June 2033	–	–	489.7	**489.7**
Total	**325.0**	**1,200.0**	**489.7**	**2,014.7**

Covenants on financing facilities

Downer Group's financing facilities contain undertakings to comply with financial covenants so that Group guarantors of these facilities collectively meet certain minimum threshold amounts of Group EBITA and Group Total Tangible Assets.

The main financial covenants which the Group is subject to are Net Worth, Interest Service Coverage and Leverage.

Financial covenants testing is undertaken monthly and reported at the Downer Board meetings. Reporting of financial covenants to financiers occurs semi-annually for the rolling 12-month periods to 30 June and 31 December. Downer Group was in compliance with all its financial covenants as at 30 June 2026.

Bank guarantees and insurance bonds

The Group has $1,801.9 million (June 2025: $1,902.8 million) of bank guarantee and insurance bond facilities to support its contracting activities. $919.0 million (June 2025: $1,040.2 million) of these facilities are provided to the Group on a committed basis and $882.9 million (June 2025: $862.6 million) on an uncommitted basis.

The Group's facilities are provided by a number of banks and insurance companies on an unsecured and revolving basis. $1,123.1 million (2025: $1,240.4 million) (refer to Note C9) of these facilities were utilised as at 30 June 2026 with $678.8 million (2025: $662.4 million) unutilised. These facilities have varying maturity dates that occur between financial years 2027, 2028 and 2029.

The underlying risk being assumed by the relevant financier under all bank guarantees and insurance bonds is corporate credit risk rather than project-specific risk.

The Group has flexibility in respect of certain committed facility amounts (shown as part of the unutilised bilateral loan facilities) which can, at the election of the Group, be utilised to provide additional bank guarantee capacity.

Refinancing requirements

The Group has no funding facilities maturing within the next 12 months, however will negotiate with existing and, where required, new financiers to extend the maturity date or refinance facilities maturing within the next 18 months. The Group's financial metrics and credit rating as well as conditions in financial markets and other factors may influence the outcome of these negotiations.

Credit ratings

The Group's external credit rating was re-affirmed at BBB (Outlook Stable) in February 2026, reflecting a continued improvement in earnings margins, strengthened balance sheet and leverage metrics.

E3. Lease liabilities

	2026 $'m	2025 $'m
Contractual undiscounted cash flows		
– Within one year	118.5	133.3
– Between one and five years	245.9	279.6
– Greater than five years	92.1	115.3
Total undiscounted lease liabilities	**456.5**	528.2
– Current	100.8	112.8
– Non-current	290.4	339.2
Total lease liabilities	**391.2**	452.0

Recognition and measurement

Lease liabilities

The lease liability is initially measured at the present value of future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if this rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- The amount expected to be payable under a residual value guarantee
- Payments of penalties for termination of the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments not included in the initial measurement of the lease liability are recognised directly in profit or loss.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in the amount expected to be payable under a residual value guarantee
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The expense charged to profit or loss for low value and short-term leases (excluded from lease liabilities and right-of-use assets), and variable lease expenses is outlined below:

	2026 $'m	2025 $'m
Lease expenses		
Land and buildings		
– Short-term	3.7	2.1
– Variable	0.3	-
Plant and equipment		
– Low value	2.8	3.6
– Short-term	22.4	21.6
– Variable	16.8	15.0
Total lease expenses	**46.0**	42.3

Key estimate and judgement: Lease liabilities

Extension option

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Incremental borrowing rate

In determining the present value of the future lease payments, the Group discounts the lease payments using an incremental borrowing rate (IBR). The IBR reflects the financing characteristics and duration of the underlying lease. Once a discount rate has been set for a leased asset (or portfolio of assets with similar characteristics), this rate will remain unchanged for the term of that lease. When a lease modification occurs, and it is not accounted for as a separate lease, a new IBR will be assigned to reflect the new characteristics of the lease.

E4. Commitments

	2026 $'m	2025 $'m
Capital expenditure commitments(i)		
Plant and equipment and other		
– Within one year	74.7	46.9
– Between one and five years	4.3	11.0
– Greater than five years	0.2	0.5
Total	**79.2**	58.4

(i) Includes commitments for joint ventures. Refer also to Note F1(a).

E5. Issued capital and non-controlling interest

	2026		2025	
	No.	$'m	No.	$'m
Ordinary shares	659,010,687	2,374.6	671,573,679	2,471.1
Unvested executive incentive shares	613,608	(4.8)	684,080	(5.3)
Total		**2,369.8**		2,465.8

Fully paid ordinary share capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	2026		2025	
	m's	$'m	m's	$'m
Fully paid ordinary share capital				
Balance at the beginning of the financial year	671.6	2,471.1	671.6	2,471.1
Group on-market share buy-back	(12.6)	(96.5)	–	–
Balance at the end of the financial year	**659.0**	**2,374.6**	671.6	2,471.1

Unvested executive incentive shares

	2026		2025	
	m's	$'m	m's	$'m
Unvested executive incentive shares				
Balance at the beginning of the financial year	0.7	(5.3)	1.2	(7.2)
Vested executive incentive share transactions(i)	(0.1)	0.5	(0.5)	1.9
Balance at the end of the financial year	**0.6**	**(4.8)**	0.7	(5.3)

(i) June 2026 figures relate to the second deferred component of the 2023 STI award and first deferred component of the 2024 STI award totalling 70,472 vested shares for a value of $531,706. June 2025 figures relate to the 2021 LTI plan, second deferred component of the 2022 STI award and first deferred component of the 2023 STI award totalling 489,766 vested shares for a value of $1,919,606.

Unvested executive incentive shares are stock market purchases and are held by the Executive Employee Share Plan Trust under the Long-Term Incentive (LTI) plan. LTI plans are not entitled to dividend equivalent payments and no dividends will be distributed on shares held in trust during the performance measurement and service periods. Excess net dividends are retained in the trust to be used by the Company to acquire additional shares on the market for employee equity plans.

Non-controlling interest – Redeemable Optionally Adjustable Distributing Securities (ROADS)

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interest (NCI), before any intra-Group eliminations.

	2026 $'m	2025 $'m
200,000,000 ROADS (Jun 2025: 200,000,000)	178.6	178.6
Total	**178.6**	178.6

The non-controlling interest relates to the issue of 200,000,000 fully paid Redeemable Optionally Adjustable Distributing Securities (ROADS) with a nominal value of NZ$1 each in Works Finance (NZ) Limited. ROADS are classified as equity as they bear discretionary dividends, are only redeemable into shares of the Company at the option of Works Finance (NZ) Limited, holders cannot request redemption, they do not contain any contractual obligations to deliver cash or financial assets and do not require settlement in a variable number of equity instruments of Works Finance (NZ) Limited.

In accordance with the terms of the ROADS preference shares, the dividend rate for the one year commencing 15 June 2026 is 7.14% per annum (2025: 7.27% per annum) which is equivalent to the one year swap rate on 15 June 2026 of 3.09% per annum plus the step-up margin of 4.05% per annum. ROADS distribution net of imputation credit of 28% is 5.14% (2025: 5.23%).

Share options and performance rights

Executives participate in a LTI plan. This is an equity-based plan that provides for a reward that varies with Company performance over three-year measures of performance. During the year, 1,730,516 performance rights (2025: 1,460,151) in relation to unissued shares were granted to senior executives of the Group under the LTI plan, comprising 1,615,917 performance rights granted on 27 February 2026 and a further 114,599 performance rights granted on 17 April 2026 to an executive who joined the Group during the period. The 2026 LTI plan has two performance conditions applicable, being relative total shareholder return (TSR) and earnings per share (EPS). The 2025 and 2024 plan years include an additional Scorecard performance condition.

- TSR – this condition is based on the Company's TSR performance relative to the TSR of companies comprising the ASX 100 index, excluding financial services companies, at the start of the performance period, measured over the three years to exercise date. For the 2024 and 2025 LTI plans, the performance rights will vest pro-rata between the median and 75th percentile. That is, 30% of the tranche vest at the 50th percentile, 32.8% at the 51st percentile, 35.6% at the 52nd percentile and so on until 100% vest at the 75th percentile. For the 2026 plan, vesting commences at 50% at the 50th percentile and increases on a similar straight-line basis to 100% at the 75th percentile.
- EPS – this condition is based on the Company's compound annual EPS growth over the three years to exercise date. For the 2024 and 2025 plans, the performance rights will vest pro-rata between 5% compound annual EPS growth and 10% compound annual EPS growth. Vesting applies on a pro-rata basis from 30% upon meeting the minimum compound annual EPS growth performance level of 5% to 10% and 100% at 10% compound annual EPS growth. For the 2026 LTI plan, vesting commences at 30% upon achieving compound annual EPS growth of 4% and increases on a straight-line basis to 100% at 9% growth.
- Scorecard – this condition is based on the Group's net profit after tax and amortisation (NPATA) and funds from operations (FFO) for each of the three years to exercise date. The plan also includes a margin gate based on the Group achieving a minimum EBITA margin performance target. The performance rights will vest on a pro-rata basis from 30% upon meeting the minimum three-year average component performance level of 90% to 110% of target and 100% at the capped maximum three-year average component performance level of 110% or more of target. The scorecard measure does not apply to the 2026 plan.

The variables in the table below are used as inputs into the model to determine the fair value of performance rights.

	2026 plan	2026 Plan	2025 Plan	2024 Plan
Grant date[(i)]	27 February 2026	17 April 2026	18 December 2024	4 July 2024
Performance period	1 July 2025 to 30 June 2028	1 July 2025 to 30 June 2028	1 July 2024 to 30 June 2027	1 July 2023 to 30 June 2026
Vesting date	30 June 2029	30 June 2029	30 June 2028	30 June 2027
Expected volatility[(ii)]	29.00 %	29.00 %	32.00 %	32.00 %
Expected dividend yield	3.80 %	3.90 %	4.80 %	4.90 %
Risk-free interest rate	4.26 %	4.71 %	3.87 %	4.11 %
Share price at grant date	$8.59	$7.35	$5.45	$4.74
Fair value per right	EPS $7.57, TSR $6.09	EPS $6.49, TSR $4.74	EPS & Scorecard $4.60, TSR $3.00	EPS & Scorecard $4.09, TSR $2.80

(i) Grant date represents the date of shared understanding of the Option Deed between parties.
(ii) The expected volatility is based on the volatility of Downer's share price calculated based on the historical three-year normalised rolling volatility.

The performance rights do not have any dividend entitlements or voting rights. If all the vesting requirements are satisfied, the performance rights will vest and the executives will receive shares in the Company or cash at the discretion of the Board.

Where an executive ceases employment with the Group prior to the vesting date, the rights will be forfeited. However, the Board will retain the discretion to retain executives in the plan in certain circumstances such as the death, total and permanent disability or retirement of an executive. In these circumstances, the Board will also retain the discretion to vest awards in the form of cash.

Recognition and measurement

Ordinary shares

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

Executive incentive shares

When executive incentive shares subsequently vest to employees under the Downer employee share plans, the carrying value of the vested shares is transferred from the Employee benefits reserve.

E6. Reserves

2026 $'m	Hedge Reserve	Foreign currency translation reserve	Employee benefits reserve	Equity reserve	Fair value through OCI reserve	Total attributable to owners of the parent
Balance at 1 July 2025	(7.5)	(30.0)	15.6	25.5	(1.5)	2.1
Foreign currency translation difference	–	(47.4)	–	–	–	(47.4)
Actuarial movement on net defined benefit plan obligations	–	–	(2.4)	–	–	(2.4)
Income tax effect of actuarial movement on defined benefit plan obligations	–	–	0.7	–	–	0.7
Change in fair value of cash flow hedges (net of tax)	3.9	–	–	–	–	3.9
Change in fair value of unquoted equity investments	–	–	–	–	0.2	0.2
Total comprehensive income/(loss) for the year	**3.9**	**(47.4)**	**(1.7)**	**-**	**0.2**	**(45.0)**
Vested executive incentive share transactions	–	–	(0.5)	–	–	(0.5)
Share-based employee benefits expense	–	–	5.0	–	–	5.0
Income tax relating to share-based transactions during the year	–	–	0.1	–	–	0.1
Balance at 30 June 2026	**(3.6)**	**(77.4)**	**18.5**	**25.5**	**(1.3)**	**(38.3)**

2025 $'m	Hedge Reserve	Foreign currency translation reserve	Employee benefits reserve	Equity reserve	Fair value through OCI reserve	Total attributable to owners of the parent
Balance at 1 July 2024	(2.5)	(34.1)	25.9	25.5	(1.4)	13.4
Foreign currency translation difference	-	4.1	–	–	-	4.1
Actuarial movement on net defined benefit plan obligations	–	-	(14.9)	–	-	(14.9)
Income tax effect of actuarial movement on defined benefit plan obligations	–	-	4.5	–	-	4.5
Change in fair value of cash flow hedges (net of tax)	(5.0)	–	–	–	-	(5.0)
Change in fair value of unquoted equity investments	–	–	–	-	(0.1)	(0.1)
Total comprehensive income/(loss) for the year	(5.0)	4.1	(10.4)	-	(0.1)	(11.4)
Vested executive incentive share transactions	–	–	(1.9)	–	–	(1.9)
Share-based employee benefits expense	–	–	3.7	–	–	3.7
Income tax relating to share-based transactions during the year	–	–	(1.7)	–	–	(1.7)
Balance at 30 June 2025	(7.5)	(30.0)	15.6	25.5	(1.5)	2.1

Hedge reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to future transactions.

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of operations where their functional currency is different to the presentation currency of the Group.

Employee benefits reserve

The employee benefits reserve is used to recognise the fair value of share-based payments issued to employees over the vesting period, and to recognise the value attributable to the share-based payments during the reporting period.

Equity reserve

The equity reserve accounts for the difference between the fair value of, and the amounts paid or received for, equity transactions with non-controlling interests.

Fair value through OCI reserve

The fair value through OCI reserve comprises the cumulative net change in the fair value of equity investments designated as FVOCI.

E7. Dividends

(a) Ordinary shares

	2026 Final	2026 Interim	2025 Final	2025 Interim
Dividend per share (in Australian cents)	16.3	12.9	14.1	10.8
Franking percentage	100 %	100 %	100 %	75 %
Cost (in $'m)	107.4	85.5	94.7	72.5
Dividend record date	3/9/26	4/3/26	4/9/25	27/2/25
Payment date	1/10/26	2/4/26	2/10/25	27/3/25

Recognition and measurement

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, before or at the end of the financial year but not distributed at balance sheet date.

The Final 2026 dividend has not been declared at the reporting date and therefore is not reflected in the consolidated financial statements.

(b) Redeemable Optionally Adjustable Distributing Securities (ROADS)

2026	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Dividend per ROADS (in Australian cents)	1.15	1.13	1.09	1.08	**4.45**
New Zealand imputation credit percentage	100 %	100 %	100 %	100 %	**100 %**
Cost (in A$'m)	2.3	2.3	2.2	2.1	**8.9**
Payment date	15/09/25	15/12/25	16/03/26	15/06/26	

2025	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Dividend per ROADS (in Australian cents)	1.56	1.54	1.54	1.58	6.22
New Zealand imputation credit percentage	100 %	100 %	100 %	100 %	100 %
Cost (in A$'m)	3.1	3.1	3.1	3.1	12.4
Payment date	16/09/24	16/12/24	17/03/25	16/06/25	

Franking credits

The franking account balance as at 30 June 2026 is $37.9 million (2025: $41.6 million).

F_Group structure

This section explains significant aspects of Downer's Group structure, including joint arrangements where the Group has interest in its controlled entities and how changes have affected the Group structure. It also provides information on business acquisitions and disposals made during the financial year as well as information relating to Downer's related parties, the extent of related party transactions and the impact they had on the Group's financial performance and position.

F1. Joint arrangements and associate entities

(a) Interest in joint ventures and associate entities

	Note	2026 $'m	2025 $'m
Interest in joint ventures at the beginning of the financial year		15.0	10.0
Share of net profit (i)		15.1	10.4
Share of distributions		(6.3)	(5.5)
Foreign currency exchange differences		(1.0)	0.1
Interest in joint ventures at the end of the financial year		**22.8**	**15.0**
Interest in associates at the beginning of the financial year		-	111.8
Share of net profit (i)		-	12.1
Interest in associates reclassified to held for sale		-	(99.3)
Interest in associates divested	F6	-	(24.6)
Interest in associates at the end of the financial year		**-**	**-**
Total interest in joint ventures and associates		**22.8**	**15.0**

(i) The share of net profit is equal to the share of total comprehensive income for all joint ventures and associates.

The Group has interests in the following joint ventures and associates which are equity accounted:

Name of arrangement	Principal activity	Principal place of business	Ownership interest 2026 %	Ownership interest 2025 %
Joint Ventures				
Allied Asphalt Limited	Asphalt plant	New Zealand	50	50
Bitumen Importers Australia Joint Venture	Bitumen importer	Australia	50	50
Bitumen Importers Australia Pty Ltd	Bitumen importer	Australia	50	50
EDI Rail-Alstom Transport Pty Ltd	Sale and maintenance of railway rollingstock	Australia	50	50
Emulco Limited	Emulsion plant	New Zealand	50	50
Isaac Asphalt Limited	Manufacture and supply of asphalt	New Zealand	50	50
Associates				
Keolis Downer Pty Ltd (i)	Operation and maintenance of Gold Coast light rail, Adelaide metro, and bus operations	Australia	–	49

(i) Downer's interest in Keolis Downer was classified as held for sale during the year ended 30 June 2025 and the sale was completed in year ended 30 June 2026. Refer to Note F6 for more information.

Commitments for joint ventures	2026 $'m	2025 $'m
Within one year	1.4	7.0
Between one and five years	0.1	1.2
Greater than five years	0.2	0.5
Total	**1.7**	8.7

All joint ventures and associates have a statutory reporting date of 30 June.

The Group does not disclose the details of individual joint ventures and associates on the basis these are individually immaterial.

Recognition and measurement

Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit or Loss, and the Group's share of movements of the investee's other comprehensive income in the Consolidated Statement of Other Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless if it has incurred obligations or made payments on behalf of the other entity.

(i) Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting.

(ii) Investments in associates

Investments in entities over which the Group has the ability to exercise significant influence, but not control, are accounted for using the equity method of accounting. The investment in associates is carried at cost plus post-acquisition changes in the Group's share of the associates' net assets, less any impairment in value.

(b) Interest in joint operations

The Group recognises its interest in the assets, liabilities, revenue and expenses of joint operations.

Name of joint operation	Principal activity	Principal place of business	Ownership interest 2026 %	Ownership interest 2025 %
Ausenco Downer Joint Venture	Enabling works for Carrapateena Project	Australia	**50**	50
Bama Civil Pty Ltd & Downer EDI Works Pty Ltd	Civil Infrastructure design and/or construction activities	Australia	**50**	50
Cameron Road Joint Venture	Cameron Road construction	New Zealand	**50**	50
China Hawkins Construction JV	Building construction	New Zealand	**50**	50
City Rail JV	Enabling works for Auckland City Rail Link	New Zealand	**50**	50
Confluence Water JV (i)	Sydney Water services	Australia	**48**	46
CPB Contractors Pty Ltd & Spotless Facility Services Pty Ltd	Riverina Redevelopment Program	Australia	**50**	50
CPB Downer Joint Venture	Parramatta Light Rail construction	Australia	**50**	50
CRL Construction Joint Venture	Construction of the City Rail Link Alliance Project	New Zealand	**30**	30
Dampier Highway Joint Venture	Highway construction and design	Australia	**50**	50
Downer BMD Joint Venture	West Camden Water Recycling Plant Upgrade	Australia	**50**	50
Downer Electrical GHD JV (ii)	Traffic control infrastructure	Australia	**90**	90
Downer FKG JV	Major civil and roadworks	Australia	**50**	50
Downer HEB Joint Venture (Te Ara Tupua)	Te Ara Tupua Alliance	New Zealand	**50**	50
Downer Fulton Hogan Higgins Joint Venture (Transport Recovery East Coast)	Transport Recovery East Coast	New Zealand	**33**	33
Downer Fulton Hogan Joint Venture (Wakatipu Transport Alliance)	Wakatipu Transport Alliance	New Zealand	**50**	50
Downer HEB Joint Venture (iRex Project) (iii)	iRex Ferry Construction project	New Zealand	**-**	50
Downer HEB Joint Venture (Memorial Park Alliance)	Design and build of the New Zealand National War Memorial Park	New Zealand	**50**	50
Downer HEB Joint Venture (Mt Messenger Project)	Design and build of the Mt Messenger Project	New Zealand	**50**	50
Downer MCD Wynyard Edge JV (Americas Cup Project)	Design and build on Americas Cup Project	New Zealand	**50**	50
Downer Seymour Whyte JV	Road construction	Australia	**50**	50
Downer Utilities Australia Pty Ltd & Ventia Utility Services Pty Ltd (Gold Coast Infrastructure Solutions)	Gold Coast Asset Lifecycle Services	Australia	**50**	50
HCMT Supplier JV	Rail build supplier	Australia	**50**	50
John Holland Pty Ltd & Downer Utilities Australia Pty Ltd Partnership	Operation of water recycling plant at Mackay	Australia	**50**	50
Macdow Downer Joint Venture (Connectus)	Rail construction	New Zealand	**50**	50

Name of joint operation	Principal activity	Principal place of business	Ownership interest 2026 %	Ownership interest 2025 %
Macdow Downer Joint Venture (CSM2)	Road construction	New Zealand	**50**	50
Macdow Downer Joint Venture (Russley Road)	Road construction	New Zealand	**50**	50
North Canterbury Transport Infrastructure Economic Recovery Alliance 'NCTIER' JV [(iii)]	Kaikoura earthquake works	New Zealand	**-**	25
Ōtaki to North of Levin Joint Venture	Highway construction	New Zealand	**50**	50
Safety Focused Performance JV	Water and sewerage capital works	Australia	**45**	45
Thiess VEC Joint Venture	Highway construction	Australia	**50**	50
Utilita Water JV	Plant maintenance	Australia	**50**	50
VEC Shaw Joint Venture	Road construction	Australia	**50**	50
Wiri Train Depot Joint Venture	Construction of the Wiri train depot	New Zealand	**50**	50

(i) Ownership interest changed during the year ended 30 June 2026.
(ii) Contractual arrangement prevents control despite ownership of more than 50% of this joint operation.
(iii) Joint operation terminated/novated during the year ended 30 June 2026.

Recognition and measurement

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

F2. Controlled entities

The controlled entities of the Group listed below were wholly owned during the current and prior year, unless otherwise stated:

Australia

ACN 009 173 040 Pty Ltd
Aladdin Group Services Pty Limited
Aladdin Laundry Pty Limited
Aladdin Linen Supply Pty Limited
Aladdins Holdings Pty. Limited
ASPIC Infrastructure Pty Ltd
Asset Services (Aust) Pty Ltd
Berkeley Challenge (Management) Pty Limited
Berkeley Challenge Pty Limited
Berkeley Railcar Services Pty Ltd
Berkeleys Franchise Services Pty Ltd
Bonnyrigg Management Pty. Limited
Cleandomain Proprietary Limited
Cleanevent Australia Pty. Ltd.
Cleanevent Holdings Pty. Limited
Cleanevent International Pty. Limited
Cleanevent Technology Pty Ltd
Concrete Pavement Recycling Pty Ltd
DM Roads Services Pty Ltd
DMH Electrical Services Pty Ltd
DMH Maintenance and Technology Services Pty Ltd
DMH Plant Services Pty Ltd
Downer Australia Pty Ltd
Downer EDI Associated Investments Pty Ltd
Downer EDI Engineering Company Pty Limited
Downer EDI Engineering CWH Pty Limited
Downer EDI Engineering Electrical Pty Ltd
Downer EDI Engineering Group Pty Limited
Downer EDI Engineering Holdings Pty Ltd
Downer EDI Engineering Power Pty Ltd
Downer EDI Engineering Pty Limited
Downer EDI Limited Tax Deferred Employee Share Plan
Downer EDI Mining Pty Ltd
Downer EDI Mining-Minerals Exploration Pty Ltd
Downer EDI Rail Pty Ltd
Downer EDI Services Pty Ltd
Downer EDI Works Pty Ltd
Downer Energy Systems Pty Limited
Downer Group Finance Pty Limited
Downer Holdings Pty Limited
Downer Investments Holdings Pty Ltd
Downer Mining Regional NSW Pty Ltd
Downer PipeTech Pty Limited
Downer PPP Investments Pty Ltd
Downer Professional Services Pty Ltd
Downer QTMP Pty Ltd
Downer Utilities Australia Pty Ltd
Downer Utilities Holdings Australia Pty Ltd
Downer Utilities New Zealand Pty Ltd
Downer Utilities SDR Pty Ltd
Downer Victoria PPP Maintenance Pty Ltd
EDI Rail PPP Maintenance Pty Ltd
EDICO Pty Ltd
Emoleum Partnership
Emoleum Road Services Pty Ltd
Emoleum Roads Group Pty Ltd
Envista Pty Limited
Errolon Pty Ltd
Evans Deakin Industries Pty Ltd
Fieldforce Services Pty Ltd
Fowlers Asphalting Pty. Limited
Gippsland Asphalt Pty. Ltd.
Infrastructure Constructions Pty Ltd
International Linen Service Pty Ltd
LNK Group Pty Ltd
Lowan (Management) Pty. Ltd.
Maclab Services Pty Ltd
Mineral Technologies (Holdings) Pty Ltd
Mineral Technologies Pty Ltd
Monteon Pty Ltd
Nationwide Venue Management Pty Limited
New South Wales Spray Seal Pty Ltd
Pacific Industrial Services BidCo Pty Ltd
Pacific Industrial Services FinCo Pty Ltd
Primary Producers Improvers Pty. Ltd.
Rail Services Victoria Pty Ltd
Riley Shelley Services Pty Limited
Roche Services Pty Ltd

Australia - continued

RPC Roads Pty Ltd
RPQ Asphalt Pty. Ltd.
RPQ Mackay Pty Ltd
RPQ North Coast Pty. Ltd.
RPQ Pty Ltd
RPQ Services Pty. Ltd.
RPQ Spray Seal Pty. Ltd.
Skilltech Consulting Services Pty. Ltd.
Skilltech Metering Solutions Pty Ltd
Smarter Contracting Pty Ltd
Southern Asphalters Pty Ltd
Sports Venue Services Pty Ltd
Spotless Defence Services Pty Ltd
Spotless Facility Services Pty Ltd
Spotless Financing Pty Limited
Spotless Group Holdings Limited
Spotless Group Limited
Spotless Investment Holdings Pty Ltd
Spotless Management Services Pty Ltd
Spotless Property Cleaning Services Pty Ltd
Spotless Securities Plan Pty Ltd
Spotless Services Australia Limited
Spotless Services International Pty Ltd
Spotless Services Limited
Spotless Treasury Pty Limited
SSL Asset Services (Management) Pty Ltd
SSL Facilities Management Real Estate Services Pty Ltd
SSL Security Services Pty Ltd
Tarmac Linemarking Pty Ltd
Taylors Two Two Seven Pty Ltd
Trenchless Group Pty Ltd
Trico Asphalt Pty. Ltd.
UAM Pty Ltd
Utility Services Group Holdings Pty Ltd
Utility Services Group Limited
VEC Civil Engineering Pty Ltd
VEC Plant & Equipment Pty Ltd

New Zealand and Pacific

DGL Investments Limited
Downer Construction (Fiji) Pte Limited
Downer Construction (New Zealand) Limited
Downer EDI Engineering PNG Limited
Downer EDI Engineering Power Limited(ii)
Downer EDI Works Vanuatu Limited
Downer New Zealand Limited
Downer New Zealand Projects 1 Limited
Downer New Zealand Projects 2 Limited
Downer Utilities New Zealand Limited
Green Vision Recycling Limited(ii)
Hawkins Limited
Hawkins Projects 1 Limited
ITS Pipetech Pacific (Fiji) Pte Limited
Richter Drilling (PNG) Limited
Spotless Facility Services (NZ) Limited
Spotless Holdings (NZ) Limited
Waste Solutions Limited(iii)
Works Finance (NZ) Limited

Africa

MD Mineral Technologies Africa (Pty) Ltd
MD Mining and Mineral Services (Pty) Ltd(i)

Americas

Mineral Technologies Comercio de Equipamentos para Processamento de Minerais LTDA
Mineral Technologies Inc.
Mineral Technologies, Inc.

Asia	United Kingdom and Channel Islands
Changchun Ao Hua Technical Consulting Co Ltd	KHSA Limited
Downer EDI Engineering (S) Pte. Ltd.	
Downer EDI Engineering Holdings (Thailand) Limited	
Downer EDI Engineering (Thailand) Ltd	
Downer EDI Group Insurance Pte. Ltd.	
Downer EDI Rail (Hong Kong) Limited	
Downer EDI Works (Hong Kong) Limited(iii)	
Downer Pte. Ltd.	
Downer Singapore Pte. Ltd.(ii)	
MD Mineral Technologies Private Limited	

(i) 70% ownership interest.
(ii) Entity is currently undergoing liquidation/dissolution.
(iii) Entity dissolved/de-registered during the financial year ended 30 June 2026.

F3. Related party information

(a) Transactions with controlled entities

Aggregate amounts receivable from and payable to controlled entities by the parent entity are included within total assets and liabilities balances as disclosed in Note F4.

(b) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note F2.

Equity interests in joint arrangements and associate entities

Details of interests in joint arrangements and associate entities are disclosed in Note F1. The business activities of a number of these entities are conducted under joint venture arrangements. Associated entities conduct business transactions with various controlled entities. Such transactions include purchases and sales, dividends and interest.

(c) Other related party transactions

The aggregate transactions with related parties are set out below:

	2026 $'000	2025 $'000
Sales of goods and services		
Joint Ventures	34,732	35,368
Associates	18,559	29,096
Purchases of goods and services		
Joint Ventures	76,195	90,134
Associates	75	3,527
Receivables from related parties		
Joint Ventures	3,293	2,154
Associates	-	952
Payables to related parties		
Joint Ventures	9,549	6,239
Associates	-	8
Loans and other advances from related parties		
Joint Ventures	370	1,430
Loans and other advances to related parties		
Joint Ventures	13,448	4,837

All transactions were made on normal commercial terms and conditions and at market rates. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

F4. Parent entity disclosures

(a) Financial position

	Company	
	2026	2025
	$'m	$'m
Assets		
Current assets	13.1	14.4
Non-current assets	2,975.5	2,722.9
Total assets	**2,988.6**	2,737.3
Liabilities		
Current liabilities	80.5	38.8
Non-current liabilities	-	-
Total liabilities	**80.5**	38.8
Net assets	**2,908.1**	2,698.5
Equity		
Issued capital	2,369.8	2,465.8
Retained earnings	-	19.7
Profit reserve	503.8	183.1
Other reserves:		
Employee benefits reserve	18.5	13.9
Equity reserve	16.0	16.0
Total equity	**2,908.1**	2,698.5

As at 30 June 2026, the parent entity reported net current liabilities of $67.4 million, mainly due to current tax liabilities of $42.6 million and trade payables of $25.9 million at reporting date. The parent entity can meet all its financial obligations when they fall due, since it has the ability to control the timing of the funding from its controlled entities.

(b) Financial performance

	Company	
	2026	2025
	$'m	$'m
Profit for the year	481.3	183.1
Total comprehensive income	**481.3**	183.1

During the year, Downer EDI Limited reported a Statutory profit after tax of $481.3 million, which was set aside in a separate profit reserve.

(c) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has, in the normal course of business, entered into guarantees in relation to the debts of its subsidiaries during the financial year.

(d) Contingent liabilities of the parent entity

The parent entity has no contingent liabilities as at 30 June 2026 (2025: nil) other than those disclosed in Note C9 to the financial statements.

(e) Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity does not have any commitments for acquisition of property, plant and equipment as at 30 June 2026 (2025: nil).

F5. Deed of cross guarantee

The following entities entered into a deed of cross guarantee with Downer EDI Limited under which each company guarantees the debts of the others:

Downer Australia Pty Ltd
Downer EDI Engineering Electrical Pty Ltd
Downer EDI Engineering Group Pty Limited
Downer EDI Engineering Holdings Pty Ltd
Downer EDI Engineering Power Pty Ltd
Downer EDI Engineering Pty Limited
Downer EDI Rail Pty Ltd
Downer EDI Services Pty Ltd
Downer EDI Works Pty Ltd
Downer Group Finance Pty Limited
Downer Holdings Pty Limited
Downer Professional Services Pty Ltd
Downer QTMP Pty Ltd
Downer Utilities Australia Pty Ltd
Downer Utilities Holdings Australia Pty Ltd
Downer Victoria PPP Maintenance Pty Ltd
EDI Rail PPP Maintenance Pty Ltd
EDICO Pty Ltd
Evans Deakin Industries Pty Ltd
Mineral Technologies (Holdings) Pty Ltd
Mineral Technologies Pty Ltd
New South Wales Spray Seal Pty Ltd
Pacific Industrial Services Bidco Pty Ltd
Pacific Industrial Services Finco Pty Ltd
RPQ Mackay Pty Ltd
RPQ Spray Seal Pty. Ltd.
Skilltech Consulting Services Pty. Ltd.
Spotless Facility Services Pty Ltd
Spotless Group Holdings Limited
Spotless Group Limited
Spotless Services Australia Limited
Spotless Services Limited
Spotless Treasury Pty Limited
UAM Pty Ltd
Utility Services Group Holdings Pty Ltd
Utility Services Group Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and Directors' reports under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Downer EDI Limited, they also represent the 'Extended Closed Group'.

Set out below is a Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position of the 'Closed Group'.

(a) Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2026 $'m	2025 $'m
Revenue	6,841.1	7,340.8
Other income	121.9	142.1
Total revenue and other income	**6,963.0**	7,482.9
Employee benefits expense	(2,083.9)	(2,241.5)
Subcontractor costs	(2,844.1)	(3,061.8)
Raw materials and consumables used	(915.6)	(1,000.8)
Plant and equipment costs	(202.8)	(234.6)
Depreciation on leased assets	(55.0)	(68.9)
Other depreciation and amortisation	(114.7)	(149.1)
Impairment of non-current assets	(20.0)	(53.0)
Other expenses from ordinary activities	(442.4)	(427.9)
Total expenses	**(6,678.5)**	(7,237.6)
Share of net profit of joint ventures and associates	13.0	7.3
Earnings before interest and tax	**297.5**	252.6
Finance income	23.1	32.2
Lease finance costs	(11.9)	(14.9)
Other finance costs	(77.3)	(96.9)
Net finance costs	**(66.1)**	(79.6)
Profit before income tax	**231.4**	173.0
Income tax expense	(43.8)	(21.6)
Profit after income tax	**187.6**	151.4
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
– Actuarial movement on net defined benefit plan obligations	(2.4)	(14.9)
– Income tax effect of actuarial movement on defined benefit plan obligations	0.7	4.5
– Change in fair value of unquoted equity investments	0.2	(0.1)
Items that may be reclassified subsequently to profit or loss:		
– Net (loss)/gain on foreign currency forward contracts taken to equity	(1.8)	2.9
– Net gain/(loss) on cross currency and interest rate swaps taken to equity	8.0	(10.3)
– Income tax effect of items above	(1.8)	2.2
Other comprehensive income/(loss) the year (net of tax)	**2.9**	(15.7)
Total comprehensive income the year (net of tax)	**190.5**	135.7
Summary of movements in retained earnings		
Opening retained earnings brought forward	28.1	57.6
Profit after income tax	187.6	151.4
Dividends paid	(180.2)	(146.4)
Internal Transfers	-	(34.5)
Retained earnings at reporting date	**35.5**	28.1

(b) Consolidated Statement of Financial Position

	2026 $'m	2025 $'m
ASSETS		
Current assets		
Cash and cash equivalents	492.3	566.1
Trade receivables and contract assets	1,785.2	1,490.4
Other financial assets	14.9	29.9
Inventories	139.0	137.8
Prepayments and other assets	60.8	63.3
Assets classified as held for sale	-	51.0
Total current assets	**2,492.2**	2,338.5
Non-current assets		
Trade receivables and contract assets	153.1	152.3
Equity accounted investments	14.2	7.0
Property, plant and equipment	584.3	563.8
Right-of-use assets	166.6	188.5
Intangible assets	1,562.7	1,584.8
Other financial assets	1,841.0	1,938.1
Deferred tax assets	29.6	13.2
Prepayments and other assets	10.2	15.6
Total non-current assets	**4,361.7**	4,463.3
Total assets	**6,853.9**	6,801.8
LIABILITIES		
Current liabilities		
Trade payables and contract liabilities	1,830.8	1,626.8
Borrowings	1.7	683.2
Lease liabilities	50.9	56.7
Other financial liabilities	6.1	8.1
Current tax liabilities	45.6	19.8
Employee benefits provision	209.3	208.3
Other provisions	93.9	83.6
Liabilities associated with assets classified as held for sale	-	50.6
Total current liabilities	**2,238.3**	2,737.1
Non-current liabilities		
Trade payables and contract liabilities	29.1	36.5
Borrowings	982.3	401.8
Lease liabilities	169.5	192.2
Other financial liabilities	937.8	856.4
Employee benefits provision	19.8	22.8
Other provisions	29.4	26.2
Total non-current liabilities	**2,167.9**	1,535.9
Total liabilities	**4,406.2**	4,273.0
Net assets	**2,447.7**	2,528.8
EQUITY		
Issued capital	2,369.8	2,465.8
Reserves	42.4	34.9
Retained Earnings	35.5	28.1
Total equity	**2,447.7**	2,528.8

F6. Disposal of businesses

Current year divestments

Cleaning New Zealand

On 13 March 2025, Downer entered into an agreement with Dimeo to sell its New Zealand Cleaning business. The sale completed on 31 July 2025 with net settlement of $3.3 million paid, resulting in a pre-tax loss of $2.0 million.

Downer's interest in Keolis Downer

At 31 December 2024, Downer's 49% interest in Keolis Downer Pty Ltd (in the Transport segment) was classified as an asset held for sale and equity accounting ceased. The Group entered into a sale agreement on 1 July 2025 to sell its 49% interest to the Keolis Group. As a result of the agreement between Keolis Group and Downer, adjusted for expected working capital movements, completion adjustments, transaction costs and warranties, the carrying value of the investment was remeasured to $65.8 million at 30 June 2025.

Immediately prior to completion on 1 December 2025, a dividend of $27.3 million was received by Downer. This dividend was comprised of a distribution from historical profits of $23.9 million as well as $3.4 million paid from profits earned from 1 July 2025 to completion. The distribution from historical profits has been recognised in Individually Significant Items in line with policy, whilst the distribution from current period profits has been recognised in underlying earnings.

As a result of the dividend payment, and after adjusting for working capital and completion adjustments, a net gain on disposal of $12.5 million was recognised with completion of the transaction occurring on 1 December 2025. Deferred consideration of $0.8 million has been recognised as a financial asset.

Energy & Utilities customer contract

In the prior year, the Energy & Utilities business entered into an agreement to transfer the assets and liabilities relating to a customer contract to a third party as part of a demobilisation and exit agreement. The assets and liabilities connected with the transfer were classified as held for sale and transferred on 31 July 2025, resulting in a gain on disposal of $1.1 million after completion adjustments.

Prior year divestments

Catering New Zealand

On 1 December 2024, Downer completed an agreement for the sale of the New Zealand catering business (in the Facilities segment) to DHG Hospitality Services NZ Pty Limited. The sale consideration for this transaction is $1.0 million. Net proceeds (after transaction costs) of $0.3 million have been received, with a pre-tax loss on disposal of $16.5 million.

Cleaning Australia

At 31 December 2024, Downer's assets and liabilities relating to its Cleaning business (in the Facilities segment) were classified as assets and liabilities held for sale.

On 13 March 2025, Downer entered into an agreement with Dimeo to sell its Australian and New Zealand cleaning businesses. The Australian Cleaning business sale completed on 30 June 2025. The sale consideration after working capital adjustments and transaction costs was a net outflow of $0.7 million with a pre-tax loss on disposal of $6.8 million recognised. The New Zealand business sale completed on 31 July 2025.

Downer's interest in Laundries

At 31 December 2024, Downer's equity accounted investment, representing a 29.9% interest in its Australian Laundries business (in the Unallocated segment) was classified as an asset held for sale and equity accounting ceased. The carrying value of the investment was $24.6 million.

On 24 April 2025, Downer announced it had completed the sale of its 29.9% interest in its Australian Laundries business (HT Hold Co Pty Limited) to an Asia Pacific private equity fund managed by Macquarie Asset Management. As at June 2025, a net payment of $65.3 million has been received (after $0.3 million of transaction costs) with a pre-tax gain on disposal of $41.1 million recognised. Deferred consideration of $3.5 million was recognised as a financial asset and included in the gain on sale, with the receipt contingent on specified 'earn-out' clauses. An amount of $3.7 million was received during the year.

G_Other

This section provides details on other required disclosures relating to the Group to comply with the accounting standards and other pronouncements including the Group's capital and financial risk management disclosure. This disclosure provides information around the Group's risk management policies and how Downer uses derivatives to hedge the underlying exposure to changes in interest rates and to foreign exchange rate fluctuations.

G1. New accounting standards

(a) New and amended accounting standards adopted by the Group

During the year, the Group has applied a number of new and revised accounting standards issued by the Australian Accounting Standards Board (AASB) that are effective for accounting periods that begin on or after 1 July 2025, as follows:

- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*
- AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*

None of the above new and amended accounting standards have had a significant impact on the Group's consolidated financial statements.

(b) AASB sustainability reporting standards

The Australian climate-related financial disclosures legislation received Royal Assent in September 2024, under the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 ('Act'). Following the Act's enactment, the AASB introduced the first set of Australian Sustainability Reporting Standards (ASRS).

These standards are effective for accounting periods that begin on or after 1 July 2025 and the Group has applied these Standards to the 2026 Sustainability Report. These standards include the following:

- ASRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information*
- ASRS 2 *Climate-related Disclosures*
- Amendments to the SASB standards to enhance their international applicability.

(c) New accounting standards and interpretations not yet adopted

No new or amended accounting standards or interpretations that are not yet mandatory have been early adopted.

The following are not expected to have a material impact on the Group's financial report on adoption but may result in additional disclosure in the financial statements:

- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*
- AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*
- AASB 18 *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after 1 January 2027).

AASB 18 replaces AASB 101 *Presentation of Financial Statements.* It will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.

G2. Capital and financial risk management

(a) Capital risk management

The capital structure of the Group consists of debt and equity. The Group may vary its capital structure by adjusting the amount of dividends, returning capital to shareholders, issuing new shares or increasing or reducing debt.

The Group's objectives when managing capital are to safeguard its ability to operate as a going concern so that it can meet all its financial obligations when they fall due, provide adequate returns to shareholders, maintain an appropriate capital structure to optimise its cost of capital and maintain an investment grade credit rating for ongoing access to funding.

(b) Financial risk management objectives

The Group's Treasury function manages the funding, liquidity and financial risks of the Group under a Board-approved Treasury Policy. These risks include foreign exchange, interest rate, commodity and financial counterparty credit risk.

The Group enters into a variety of derivative financial instruments to manage its exposures including:

i. Forward foreign exchange contracts to hedge the exchange rate risk arising from cross-border trade flows, foreign income and debt service obligations
ii. Cross-currency interest rate swaps to manage the interest rate and currency risk associated with foreign currency denominated borrowings
iii. Interest rate swaps to manage interest rate risk
iv. Commodity forward contracts to manage commodity price movements in contracts.

The Group does not enter into or trade derivative financial instruments for speculative purposes.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. No material amounts with a right to offset were identified in the Consolidated Statement of Financial Position.

(c) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. As a result, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters, utilising forward foreign exchange contracts and cross-currency swaps.

The carrying amounts of the Group's unhedged foreign currency denominated financial assets and financial liabilities at the reporting date are as follows:

	Financial assets(i)		Financial liabilities(i)	
	2026	2025	2026	2025
	$'m	$'m	$'m	$'m
US Dollar (USD)	4.8	4.4	–	12.9
South Africa Rand (ZAR)	0.3	4.5	–	–
Chinese Yuan (CNY)	1.4	–	(0.4)	–
Japanese Yen (JPY)	0.1	0.8	–	–

(i) The above table shows foreign currency financial assets and liabilities in Australian dollar equivalent.

Foreign currency forward contracts

The following table summarises, by currency pairs, the Australian dollar value (unless otherwise stated) of forward exchange contracts outstanding as at the reporting date:

	Weighted average exchange rate		Foreign currency		Contract value		Fair value	
	2026	2025	2026	2025	2026	2025	2026	2025
Outstanding contracts			FC'm	FC'm	$'m	$'m	$'m	$'m
Buy USD / Sell AUD								
Less than 3 months	-	0.6471	-	2.2	-	3.4	-	-
3 to 6 months	-	0.6798	-	0.5	-	0.7	-	-
Later than 6 months	-	0.6353	-	2.0	-	3.1	-	(0.1)
			-	4.7	**-**	7.2	**-**	(0.1)
Sell USD / Buy AUD								
Less than 3 months	-	0.6488	-	1.0	-	1.6	-	-
3 to 6 months	0.7021	0.6600	0.2	0.8	0.3	1.3	-	-
Later than 6 months	0.6937	-	0.2	-	0.3	-	-	-
			0.4	1.8	**0.6**	2.9	**-**	-
Buy EUR / Sell AUD								
Less than 3 months	0.5929	0.5781	9.9	3.0	16.7	5.3	(0.3)	0.2
3 to 6 months	0.6107	0.5833	0.2	1.3	0.3	2.2	-	0.1
Later than 6 months	0.5995	0.5934	1.7	7.2	2.8	12.1	-	0.9
			11.8	11.5	**19.8**	19.6	**(0.3)**	1.2
Sell EUR / Buy AUD								
Less than 3 months	0.5880	-	3.1	-	5.3	-	0.1	-
			3.1	-	**5.3**	-	**0.1**	-
Buy JPY / Sell AUD								
Less than 3 months	100.08	94.88	1,009.6	676.5	10.2	7.1	(1.1)	0.1
3 to 6 months	107.62	92.26	353.3	101.7	3.3	1.1	(0.1)	-
Later than 6 months	101.69	93.07	938.5	1,060.8	9.3	11.4	(1.1)	(1.1)
			2,301.4	1,839.0	**22.8**	**19.6**	**(2.3)**	(1.0)
Sell JPY / Buy AUD								
Less than 3 months	91.42	93.09	69.4	20.4	0.8	0.2	0.2	-
3 to 6 months	-	92.15	-	66.1	-	0.7	-	-
Later than 6 months	-	90.58	-	94.3	-	1.0	-	-
			69.4	180.8	**0.8**	1.9	**0.2**	-
Sell GBP / Buy AUD								
Less than 3 months	0.4843	-	0.3	-	0.5	-	-	-
			0.3	-	**0.5**	-	**-**	-
Buy GBP / Sell AUD								
Less than 3 months	0.5248	0.4800	2.1	0.7	4.1	1.5	-	-
Later than 6 months	-	0.5208	-	1.5	-	2.8	-	0.2
			2.1	**2.2**	**4.1**	**4.3**	**-**	**0.2**

Outstanding contracts	Weighted average exchange rate 2026	2025	Foreign currency 2026 FC'm	2025 FC'm	Contract value 2026 $'m	2025 $'m	Fair value 2026 $'m	2025 $'m
Sell NZD / Buy EUR								
Less than 3 months	0.4955	-	1.0	-	2.1	-	-	-
			1.0	-	**2.1**	-	-	-
Buy USD / Sell NZD								
Less than 3 months	0.5865	0.6017	7.2	6.5	12.3	10.8	0.4	(0.1)
			7.2	6.5	**12.3**	10.8	**0.4**	(0.1)
BUY CNY / Sell AUD								
Less than 3 months	4.6528	4.6326	22.9	1.1	4.9	0.2	–	–
3 to 6 months	4.4564	4.5220	2.2	0.2	0.5	-	–	-
Later than 6 months	4.5136	4.5148	23.5	0.6	5.2	0.1	–	-
			48.6	1.9	**10.6**	0.3	**–**	-

Cross-currency interest rate swaps

Under cross-currency interest rate swaps, the Group is committed to exchange certain foreign currency loan principal and interest amounts at agreed future dates at fixed foreign exchange and interest rates. Such contracts enable the Group to eliminate the risk of adverse movements in foreign exchange and interest rates related to foreign currency denominated borrowings.

The following table details the Australian dollar equivalent of cross-currency interest rate swaps outstanding as at the reporting date:

Outstanding contracts	Weighted average AUD equivalent interest rate (including credit margin) 2026 %	2025 %	Weighted average exchange rate 2026	2025	Contract value 2026 $'m	2025 $'m	Fair value 2026 $'m	2025 $'m
Buy USD / Sell AUD								
Less than 1 year	-	5.9	-	0.7739	-	129.2	-	23.4
Buy JPY / Sell AUD								
5 years or more	**5.2**	5.2	**83.12**	83.12	**120.3**	120.3	**(38.3)**	(21.8)

The above cross-currency interest rate swaps are designated as effective cash flow hedges.

Foreign currency sensitivity analysis

The Group is mainly exposed to the movement in United States dollar (USD) and New Zealand dollar (NZD), arising from cross-border trade and intercompany flows.

The following table details the Group's sensitivity to movements in the Australian dollar against relevant foreign currencies. The percentages disclosed below represent the Group's assessment of the possible changes in spot foreign exchange rates (i.e. forward exchange points and discount factors have been kept constant). The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a given percentage change in foreign exchange rates. A rate change indicates an appreciation or depreciation of the Australian dollar spot exchange rate against the foreign currency of the exposure.

A positive number indicates a before-tax increase in profit and equity and a negative number indicates a before-tax decrease in profit and equity.

	Profit/(loss)(i)		Equity(ii)	
	2026	2025	2026	2025
	$'m	$'m	$'m	$'m
USD impact				
- 15% rate change	0.8	(1.5)	1.8	0.7
+ 15% rate change	(0.6)	1.1	(1.3)	(0.6)
EUR impact				
- 15% rate change	-	-	2.8	3.4
+ 15% rate change	-	-	(2.1)	(2.5)
GBP impact				
- 15% rate change	-	-	0.6	0.8
+ 15% rate change	-	-	(0.5)	(0.6)
JPY impact				
- 15% rate change	-	0.1	3.5	3.0
+ 15% rate change	-	(0.1)	(2.6)	(2.2)
CAD impact				
- 15% rate change	-	-	(0.6)	-
+ 15% rate change	-	-	0.4	-
CNY impact				
- 15% rate change	0.2	0.4	1.6	2.0
+ 15% rate change	(0.1)	(0.3)	(1.2)	(1.5)

(i) This is mainly as a result of the changes in the value of unhedged foreign currency denominated financial assets and liabilities.
(ii) This is as a result of the changes in the value of forward foreign exchange contracts designated as cash flow hedges.

(d) Interest rate risk management

The Group is exposed to interest rate risk as entities borrow funds at floating interest rates. Management of this risk is governed by a Board approved Treasury Policy that requires an appropriate mix of fixed and floating rate borrowings and hedging be maintained utilising cross-currency interest rate swaps and interest rate swap contracts and the issue of long-term fixed rate debt securities.

The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the table below:

	Weighted average AUD equivalent interest rate (including credit margin)		Liability/(asset)	
	2026	2025	2026	2025
	%	%	$'m	$'m
Floating interest rates - income and cash flow exposure				
Bank loans(i) (ii)	5.1	5.7	105.0	303.5
Cash and cash equivalents	3.6	4.5	(766.4)	(833.8)
Total cash flow exposure			**(661.4)**	(530.3)
Fixed interest rates - fair value exposure				
Bank loans(i)	3.8	-	385.9	-
USD private placement notes(ii)	-	5.9	-	129.3
AUD private placement notes	-	5.8	-	30.0
Medium term notes(ii)	6.2	3.6	528.0	629.8
Total fair value exposure			**913.9**	789.1

(i) Swaps currently in place cover approximately 78.8% (30 June 2025: 83%) of the variable loan principal outstanding. The swaps' maturities range from November 2026 to September 2028. The fixed interest rates of the swaps range between 3.32% and 4.12% (30 June 2025: 3.32% and 4.12%) and the variable rates of the loans are set at a margin above the relevant floating rate.
(ii) The marked to market values of the interest rate and cross-currency swaps have been included in the debt amounts.

All interest rates in the above table reflect rates in the currency of the relevant loan other than USD private placement notes and JPY medium term notes, where the AUD rates under the relevant cross-currency swaps are used.

The table above relates to amounts that are drawn. The Group has a number of undrawn facilities, which if utilised would be on a floating rate basis.

The Group uses cross-currency interest rate swaps and interest rate swap contracts to manage interest rate exposures. Under these contracts, the Group commits to exchange the difference between fixed and floating rate interest amounts calculated on notional principal amounts. The principal and interest amounts JPY medium term notes have been fully hedged against the Australian dollar through cross-currency interest rate swaps.

The fair values of interest rate swaps are based on market values of equivalent instruments at the reporting date.

The following table details the interest rate swap contracts and related notional principal amounts as at the reporting date:

Outstanding floating to fixed swap contracts	Weighted average interest rate 2026 %	2025 %	Notional principal amount 2026 $'m	2025 $'m	Fair value 2026 $'m	2025 $'m
AUD interest rate swaps						
Less than 1 year	4.1	-	250.0	-	0.9	-
1 to 2 years	-	4.1	-	250.0	-	(3.5)
2 to 3 years	3.4	-	140.0	-	3.2	-
3 to 4 years	-	3.4	-	140.0	-	(0.5)
Total			**390.0**	**390.0**	**4.1**	**(4.0)**

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the reporting date and assuming that the rate change occurs at the beginning of the financial year and is then held constant throughout the reporting period.

Sensitivities have been based on a movement in interest rates of 100 basis points across the yield curve of the relevant currencies. The selected basis point increase or decrease represents the Group's assessment of the possible change in interest rates based on the current observable market environment for variable rate instruments, cross-currency interest rate swaps and interest rate swaps. An increase or decrease in interest rates of 100 basis points on the unhedged position (mostly cash and cash equivalents) will decrease or increase net interest expense by $6.6 million (2025: $7.8 million) respectively for the next 12 months based on the closing cash and floating rate debt balances and assuming no changes to the existing rate hedges.

For hedged positions designated as cash flow hedges, an increase and decrease in interest rates of 100 basis points will generate an increase and decrease in equity of $5.2 million (2025: $7.8 million) and $5.4 million (2025: $8.0 million) respectively.

(e) Credit risk management

Credit risk refers to the risk that a financial counterparty will default on its contractual obligations in respect of a financial instrument, resulting in a potential loss to the Group.

Trade receivables and contract assets arise from a large number of customers, spread across diverse industries and geographical areas. A credit risk assessment is performed at the onset of material contracts to assess the financial condition of the counterparty and reviewed annually to take account of any changes in the risk profile of the counterparty. Where possible, a bank guarantee or performance bond, or parent guarantee from a creditworthy counterparty, is sought to secure a counterparty's contractual payment obligations. Refer to Note C2 for details on credit risk arising from trade receivables and contract assets.

Financial counterparty credit limits and the related credit acceptability of financial counterparties are set by a Board approved Treasury Policy that is subject to annual review to remain relevant to the external environment and reflects the Group's risk appetite at all times. The Treasury Policy sets clear parameters for determining acceptable financial counterparties and limits the exposure the Group may have at any one time to any financial counterparties to mitigate financial loss due to a default by a counterparty. No material exposure is considered to exist by virtue of the non-performance of any financial counterparty.

Credit risk on derivative financial instruments and cash balances held with financial counterparties is managed by Group Treasury with transactions only made with approved counterparties that have a minimum investment grade rating from Standard & Poor's of A- (or equivalent from Moody's or Fitch rating agencies). In limited circumstances, surplus cash may be held in foreign jurisdictions with financial counterparties that do not meet the minimum rating threshold where there is no other alternative.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

(f) Liquidity risk management

Liquidity risk is the risk that the Group is unable to meet its financial obligations as and when they fall due. The Group's liquidity risk is managed under a Board approved Treasury Policy that sets clear parameters governing the Group's continued access to liquidity.

The Group manages liquidity risk by maintaining a minimum level of liquidity to meet the Group's financial obligations in the form of available liquid cash balances and access to committed undrawn debt facilities and other forms of capital, monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The Group seeks to mitigate its exposure to liquidity risk by using debt facilities provided by strong investment grade rated financial counterparties and by the early refinancing of debt facilities for continued access to capital over the medium term.

The maturity profile and quantum of the Group's debt facilities will continue to be monitored and refinanced in advance subject to credit market conditions and the support of its financial counterparties. Included in Note E2 is a summary of committed undrawn bank loan facilities.

Liquidity risk tables

The following tables detail the contractual maturity of the Group's financial liabilities. The tables are based on the undiscounted cash flows of financial liabilities and include both interest and principal cash flows.

2026 $'m	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank loans(i)	28.2	169.7	69.1	18.0	18.0	335.5
Medium term notes	27.5	27.9	27.9	27.9	27.9	545.1
Total borrowings including interest	**55.7**	**197.6**	**97.0**	**45.9**	**45.9**	**880.6**
Cross-currency interest rate swaps	7.9	10.5	10.5	10.5	10.5	82.2
Interest rate swaps	(2.2)	(1.6)	(0.4)	–	–	–
Foreign currency forward contracts	1.5	0.7	0.1	–	–	–
Total derivative instruments(ii)	**7.2**	**9.6**	**10.2**	**10.5**	**10.5**	**82.2**
Trade payables and accruals	2,102.1	2.5	2.1	5.2	0.3	1.5
Lease liabilities	118.5	90.8	68.4	50.0	36.7	92.1
Total financial liabilities	**2,283.5**	**300.5**	**177.7**	**111.6**	**93.4**	**1,056.4**

2025 $'m	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank loans(i)	16.8	16.3	16.4	16.3	16.3	348.4
USD notes	156.1	–	–	–	–	–
AUD notes	30.9	–	–	–	–	–
Medium term notes	519.7	1.2	1.2	1.2	1.2	109.6
Total borrowings including interest	723.5	17.5	17.6	17.5	17.5	458.0
Cross-currency interest rate swaps	(18.1)	5.1	5.1	5.1	5.1	29.4
Interest rate swaps	2.1	2.2	(0.1)	(0.1)	–	–
Foreign currency forward contracts	(0.6)	(0.2)	0.1	–	–	–
Total derivative instruments(ii)	(16.6)	7.1	5.1	5.0	5.1	29.4
Trade payables and accruals	1,843.9	6.1	0.6	1.2	0.6	1.5
Lease liabilities	133.3	103.8	79.6	55.7	40.5	115.3
Total financial liabilities	2,684.1	134.5	102.9	79.4	63.7	604.2

(i) $495.0 million (2025: $300.0 million of the bank loan liabilities relate to loan principal obligations with the balance relating to interest obligations for the current drawn profile. These interest obligations are set by reference to the relevant quarterly or monthly floating interest rate at the reporting date. Note that the principal and interest obligations are subject to change based on the actual drawn profile and changes in market interest rate.

(ii) Includes assets and liabilities. The derivative instruments are subject to change as interest rates and exchange rates change.

Recognition and measurement

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. Any gains or losses arising from changes in fair value of derivatives, except those that qualify as effective hedges, are immediately recognised in profit or loss. These are presented as current assets or liabilities to the extent they are expected to settle within 12 months after the end of the reporting period. There were no fair value hedges in the year ended 30 June 2026.

Hedge accounting

AASB 9 aligns the accounting for hedging instruments closely with the Group's risk management objectives and strategy and applies a more qualitative and forward-looking approach to assessing hedge effectiveness. The Group has elected to adopt the general hedge accounting model in AASB 9. AASB 9 includes requirements on rebalancing hedge relationships and prohibiting voluntary discontinuation of hedge accounting.

Fair value hedges

Fair value hedges are used to hedge the exposure to changes in the fair value of a recognised asset, liability or firm commitment. For fair value hedges, changes in the fair value of the derivative, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk, are immediately recorded in profit or loss. Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting.

Cash flow hedges

Cash flow hedges are used to hedge risks associated with contracted and highly probable forecast transactions. For cash flow hedges, the effective portion of changes in the fair value of the derivative is deferred in equity and the gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are transferred to profit or loss in the same period the hedged item is recognised in profit or loss. When the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred to form part of the initial measurement of the cost of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss. If the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting, any gain or loss deferred in equity remains in equity until the forecast transaction occurs.

G3. Other financial assets and liabilities

2026	Financial assets		Financial liabilities	
$'m	Current	Non-current	Current	Non-current
At amortised cost[i]:				
Other financial assets	1.3	2.2	–	–
Advances to/from joint ventures and associates	11.0	2.4	0.4	–
Deferred consideration	–	0.8	–	0.8
	12.3	**5.4**	**0.4**	**0.8**
At fair value:				
Level 2				
Foreign currency forward contracts – Cash flow hedge	1.1	–	1.8	0.5
Cross-currency and interest rate swaps – Cash flow hedge	2.5	1.6	4.5	33.8
	3.6	**1.6**	**6.3**	**34.3**
Level 3				
Unquoted equity investments – Fair value through OCI	–	16.1	–	–
	–	16.1	–	–
Total	**15.9**	**23.1**	**6.7**	**35.1**

2025 $'m	Financial assets Current	Financial assets Non-current	Financial liabilities Current	Financial liabilities Non-current
At amortised cost[i]:				
Other financial assets	1.0	1.9	–	–
Advances to/from joint ventures and associates	1.4	3.4	1.4	–
Deferred consideration	3.5	–	–	–
	5.9	5.3	1.4	–
At fair value:				
Level 2				
Foreign currency forward contracts – Cash flow hedge	1.2	0.6	0.4	–
Cross-currency and interest rate swaps – Cash flow hedge	23.4	–	6.4	19.4
	24.6	0.6	6.8	19.4
Level 3				
Unquoted equity investments – Fair value through OCI	–	16.9	–	–
	–	16.9	–	–
Total	30.5	22.8	8.2	19.4

(i) Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different from their carrying amounts.

Reconciliation of Level 3 fair value measurements of financial assets

The fair value of Level 3 investments has decreased by $0.8 million from prior year (2025: $0.9 million decrease) due to revaluation and return on investment.

Recognition and measurement

Fair value measurement

When a derivative is designated as the cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Valuation of financial instruments

For financial instruments measured and carried at fair value, the Group uses the following to categorise the methods used:

- Level 1: fair value is calculated using quoted prices in active markets for identical assets or liabilities
- Level 2: fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data.

During the year there were no transfers between Level 1, Level 2 and Level 3 fair value hierarchies.

The following table shows the valuation technique used in measuring Level 2 and 3 fair values, as well as significant unobservable inputs used:

Type	Valuation technique	Significant unobservable input
Cross-currency and interest rate swaps	Calculated using the present value of the estimated future cash flows based on observable yield curves.	Not applicable.
Foreign currency forward contracts	Calculated using forward exchange rates prevailing at the balance sheet date.	Not applicable.
Unquoted equity investments	Calculated based on the Group's interest in the net assets of the unquoted entities.	Assumptions are made with regard to future expected revenues and discount rates. Changing the inputs to the valuations to reasonably possible alternative assumptions would not significantly change the amounts recognised in profit or loss, total assets or total liabilities, or total equity.

Consolidated entity disclosure statement

for the year ended 30 June 2026

Basis for preparation

The consolidated entity disclosure statement has been prepared in accordance with the *Corporations Act 2001* (Cth), and includes information for each entity that was part of the consolidated entity as at 30 June 2026.

Determination of tax residency

Section 295(3B) of the *Corporations Act 2001* (Cth) defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted and which could give rise to a different conclusion on residency.

In determining residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied the current legislation and guidance including having regard to the Australian Taxation Office's public guidance in Tax Ruling TR 2018/5 and Practical Compliance Guidance 2018/9.

Foreign tax residency

The consolidated entity has applied current legislation and relevant revenue authority guidance in the determination of foreign tax residency.

		Bodies Corporate		Tax residency	
Entity name	Entity type	Place incorporated or formed	Ownership interest	Australian or foreign	Foreign Jurisdiction
Downer EDI Limited (the Parent)	Body Corporate	Australia	100%	Australian	N/A
ACN 009 173 040 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Aladdin Group Services Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Aladdin Laundry Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Aladdin Linen Supply Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Aladdins Holdings Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
ASPIC Infrastructure Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Asset Services (Aust) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Berkeley Challenge (Management) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Berkeley Challenge Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Berkeley Railcar Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Berkeleys Franchise Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Bonnyrigg Management Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Changchun Ao Hua Technical Consulting Co Ltd	Body Corporate	China	100%	Foreign	China
Cleandomain Proprietary Limited	Body Corporate	Australia	100%	Australian	N/A
Cleanevent Australia Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Cleanevent Holdings Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Cleanevent International Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Cleanevent Technology Pty Ltd	Body Corporate	Australia	100%	Australian	N/A

		Bodies Corporate		Tax residency	
Entity name	Entity type	Place incorporated or formed	Ownership interest	Australian or foreign	Foreign Jurisdiction
Concrete Pavement Recycling Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
DGL Investments Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
DM Roads Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
DMH Electrical Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
DMH Maintenance and Technology Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
DMH Plant Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Construction (Fiji) Pte Limited	Body Corporate	Fiji	100%	Foreign	Fiji
Downer Construction (New Zealand) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer EDI Associated Investments Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering (S) Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Downer EDI Engineering Company Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering CWH Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering Electrical Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering Group Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering Holdings (Thailand) Limited	Body Corporate	Thailand	100%	Foreign	Thailand
Downer EDI Engineering Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering PNG Limited	Body Corporate	Papua New Guinea	100%	Foreign	Papua New Guinea
Downer EDI Engineering Power Limited (In Liquidation)	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer EDI Engineering Power Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Engineering (Thailand) Ltd	Body Corporate	Thailand	100%	Foreign	Thailand
Downer EDI Group Insurance Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Downer EDI Limited Tax Deferred Employee Share Plan	Trust	N/A	N/A	Australian	N/A
Downer EDI Mining Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Mining-Minerals Exploration Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Rail (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Downer EDI Rail Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer EDI Works Pty Ltd	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
Downer EDI Works Vanuatu Limited	Body Corporate	Vanuatu	100%	Foreign	Vanuatu
Downer Energy Systems Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer Group Finance Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer Investments Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer KHSA JV	Partnership	Australia	N/A	Australian	N/A

Entity name	Entity type	Bodies Corporate: Place incorporated or formed	Bodies Corporate: Ownership interest	Tax residency: Australian or foreign	Tax residency: Foreign Jurisdiction
Downer Mining Regional NSW Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer New Zealand Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer New Zealand Projects 1 Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer New Zealand Projects 2 Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer PipeTech Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Downer PPP Investments Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Professional Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Downer QTMP Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Singapore Pte. Ltd. (In Liquidation)	Body Corporate	Singapore	100%	Foreign	Singapore
Downer Utilities Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Utilities Holdings Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Utilities New Zealand Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Downer Utilities New Zealand Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Utilities SDR Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Downer Victoria PPP Maintenance Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
EDI Rail PPP Maintenance Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
EDICO Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Emoleum Partnership	Partnership	Australia	N/A	Australian	N/A
Emoleum Road Services Pty Ltd	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
Emoleum Roads Group Pty Ltd	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
Envista Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Errolon Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Evans Deakin Industries Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Fieldforce Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Fowlers Asphalting Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Gippsland Asphalt Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Green Vision Recycling Limited (In Liquidation)	Body Corporate	New Zealand	100%	Foreign	New Zealand
Hawkins Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Hawkins Projects 1 Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Infrastructure Constructions Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
International Linen Service Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
ITS Pipetech Pacific (Fiji) Pte Limited	Body Corporate	Fiji	100%	Foreign	Fiji
KHSA Limited	Body Corporate - Partner in Partnership	Jersey	100%	Australian	N/A
LNK Group Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Lowan (Management) Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Maclab Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
MD Mineral Technologies Africa (Pty) Ltd	Body Corporate	South Africa	100%	Foreign	South Africa

		Bodies Corporate		Tax residency	
Entity name	Entity type	Place incorporated or formed	Ownership interest	Australian or foreign	Foreign Jurisdiction
MD Mineral Technologies Private Limited	Body Corporate	India	100%	Foreign	India
MD Mining and Mineral Services (Pty) Ltd	Body Corporate	South Africa	70%	Foreign	South Africa
Mineral Technologies (Holdings) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Mineral Technologies Comercio de Equipamentos para Processamento de Minerais LTDA	Body Corporate	Brazil	100%	Foreign	Brazil
Mineral Technologies Inc.	Body Corporate	Canada	100%	Foreign	Canada
Mineral Technologies Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Mineral Technologies, Inc.	Body Corporate	USA	100%	Foreign	USA
Monteon Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Nationwide Venue Management Pty Limited	Body Corporate	Australia	100%	Australian	N/A
New South Wales Spray Seal Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Pacific Industrial Services BidCo Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Pacific Industrial Services FinCo Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Primary Producers Improvers Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Rail Services Victoria Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Richter Drilling (PNG) Limited	Body Corporate	Papua New Guinea	100%	Foreign	Papua New Guinea
Riley Shelley Services Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Roche Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RPC Roads Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RPQ Asphalt Pty. Ltd.	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
RPQ JV	Partnership	Australia	N/A	Australian	N/A
RPQ Mackay Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RPQ North Coast Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
RPQ Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
RPQ Services Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
RPQ Spray Seal Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Skilltech Consulting Services Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Skilltech Metering Solutions Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Smarter Contracting Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Southern Asphalters Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Sports Venue Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Defence Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Facility Services (NZ) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Spotless Facility Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Financing Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Group Holdings Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Group Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Holdings (NZ) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Spotless Investment Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Management Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A

		Bodies Corporate		Tax residency	
Entity name	Entity type	Place incorporated or formed	Ownership interest	Australian or foreign	Foreign Jurisdiction
Spotless Property Cleaning Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Securities Plan Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Services Australia Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Services International Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Spotless Services Limited	Body Corporate	Australia	100%	Australian	N/A
Spotless Treasury Pty Limited	Body Corporate	Australia	100%	Australian	N/A
SSL Asset Services (Management) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
SSL Facilities Management Real Estate Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
SSL Security Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Tarmac Linemarking Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Taylors Two Two Seven Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Trenchless Group Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Trico Asphalt Pty. Ltd.	Body Corporate - Partner in Partnership	Australia	100%	Australian	N/A
UAM Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Utility Services Group Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Utility Services Group Limited	Body Corporate	Australia	100%	Australian	N/A
VEC Civil Engineering Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
VEC Plant & Equipment Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Works Finance (NZ) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand

Directors' Declaration

for the year ended 30 June 2026

In the opinion of the Directors of Downer EDI Limited:

a. The financial statements and notes set out on pages 140 to 215 are in accordance with the *Australian Corporations Act 2001* (Cth), including:

   i. Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   ii. The financial statements and notes thereto give a true and fair view of the financial position and performance of the Company and the consolidated entity;

b. There are reasonable grounds to believe that Downer EDI Limited will be able to pay its debts as and when they become due and payable;

c. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth);

d. The attached financial statements are in compliance with International Financial Reporting Standards, as noted in Note A to the financial statements; and

e. The consolidated entity disclosure statement is true and correct.

At the date of this declaration, there are reasonable grounds to believe that the Company and the companies to which ASIC Corporations (Wholly owned Companies) Instrument 2016/785 applies, as detailed in Note F5 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

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

On behalf of the Directors

Mark Menhinnitt
Chair

Peter Tompkins
Managing Director and Chief Executive Officer

Sydney, 20 August 2026

Corporate Governance

for the year ended 30 June 2026

Overview

Downer's corporate governance framework provides the platform from which:

- The Board is accountable to shareholders for the operations, performance and growth of the Company
- Downer management is accountable to the Board
- The risks to Downer's business are identified and managed
- Downer effectively communicates with its shareholders and the investment community.

Downer continues to enhance its policies and processes to promote leading corporate governance practices.

The Board endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

Principle 1: Lay solid foundations for management and oversight

The Downer Board Charter sets out the functions and responsibilities of the Board and is available on the Downer website at www.downergroup.com.

The Board Charter states that the role of the Board is to provide strategic guidance and to effectively oversee management of the Company. Among other things, the Board is responsible for:

- Overseeing the Company, including its control and accountability systems
- Appointing and removing the Group CEO and senior executives
- Monitoring performance of the Group CEO and senior executives
- Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Board Charter also describes the functions delegated to management, led by the Group CEO.

The primary goal set for management by the Board is to focus on enhancing shareholder value, which includes responsibility for Downer's economic, environmental and social performance.

The Group CEO is responsible for the day-to-day management of Downer with authority to act delegated and authorised by the Board. Before appointing a Director or senior executive, the Board undertakes appropriate checks.

The Board provides shareholders with all material information which is relevant to the decision to elect or re-elect a Director. Directors receive formal letters of engagement setting out the key terms, conditions and expectations of their engagement.

As part of its commitment to leading corporate governance practice, the Board undertakes improvement programs, including externally facilitated periodic reviews of its performance and effectiveness, and that of its Committees and Directors. The last review was completed during FY25. The review included consideration of the skills and knowledge of Directors, the role of the Board and its Committees and their effectiveness, the role of management and relationship with the Board and the effectiveness of the Board's governance framework and processes.

The Company Secretary is responsible for supporting the effectiveness of the Board and is directly accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Downer has written employment agreements with each of its senior executives and the performance of those senior executives is regularly reviewed against appropriate measures, including performance targets linked to the business plan and overall corporate objectives. In 2026, Downer's senior executives participated in periodic performance evaluations where they received feedback on progress against these targets.

Details of Downer's Directors and the Executive Leadership Team are available on the Downer website at **www.downergroup.com**

Downer Board
Sets Downer's strategy, risk appetite and oversees Management

The Committees and Management report to the Board via recommendation and information papers and minutes

The Board delegates responsibility to its Committees and Management pursuant to Charters, Delegation of Authority, Risk Appetite Statement, Policies and other delegations from time to time

Audit and Risk Committee
Oversee financial reporting processes, internal controls, internal and external audit

Nominations Committee
Manage Non-executive Director and CEO appointments and succession

People and Culture Committee
Oversee people and remuneration related strategies, policies, frameworks and practices

Project Governance Committee
Oversee Company's opportunity and bid management, and delivery processes

Zero Harm Committee
Oversee workplace health and safety and environment and sustainability policies and risk

Disclosure Committee
Oversee disclosure obligations to ASX and NZX

Each Committee refers relevant matters to other Board committees as required

CEO
Responsible for day-to-day management of the Group within the Group's Delegations of Authority

Executive Leadership Team
Provides the Group's organisational direction and executive governance over Group performance

Downer's People
Responsible for working to deliver Downer's purpose whilst adhering to the standards of behaviour set out in our values and Code of Conduct

Oversight
(2nd Line of Defence)

Risk, Legal, Finance, People & Culture, Zero Harm, Sustainability, Information Technology

Oversight
(3rd Line of Defence)

Internal Audit, external assurance and verification and professional advice

Further information on Downer's approach to risk management can be found on page 39.

Inclusion and Belonging at Downer

Downer is committed to a diverse and inclusive workforce, which fulfils the expectations of its employees, customers and shareholders while building a sustainable future for its business. This is formalised through the Downer Inclusion & Belonging (I&B) Policy which outlines the Company's commitment to developing a diverse and inclusive workforce.

The I&B Policy is available on the Downer website at **www.downergroup.com**

ASX diversity recommendations – diversity statement

This diversity statement outlines Downer's performance throughout 2026 with respect to its broader diversity program, but with a particular focus on gender, and specifically includes:

- Details of Downer's key gender representation metrics
- An overview of the gender diversity initiatives undertaken by Downer throughout 2026
- An outline of Downer's measurable gender diversity objectives for 2026.

Gender representation metrics

As of 30 June 2026, Downer's female gender representation metrics were as follows:

Board	50 %
Senior Executive[1]	31 %
Management[2]	22 %
Workforce	25 %

1. For present purposes, 'Senior Executive' refers to CEO, KMP and Other Executives/General Managers as defined in the Workplace Gender Equality Agency Reference Guide to the workplace profile and reporting questionnaire (WGEA Reference Guide).
2. For present purposes, 'Management' refers to Senior Managers and Other Managers as defined in the WGEA Reference Guide.

Looking back 2026 measurable objectives

Focus areas	Objective	FY26 Targets	FY26 Initiatives	FY26 Outcomes
Inclusion	Continue to drive Inclusion & Belonging as a key focus for the organisation to support Downer culture and an inclusive workplace, identifying initiatives that create sustainable change.	Downer Difference is embedded in the organisation with >80% of the workforce having at least one touchpoint of exposure.	On-going embedding of The Downer Difference through sustaining a multi-channel communication approach that reinforces key cultural behaviours through leadership engagement, storytelling, digital platforms, and integration into core business activities.	The Downer Difference continued to be embedded across the organisation through a sustained multi-channel communication and engagement approach, reinforcing the three cultural behaviours through leadership messaging, employee recognition, storytelling and digital channels. Key FY26 activities included CEO-led communications marking one year of The Downer Difference, the launch of informal digital recognition cards, continued recognition through Team of the Week and Group and Business Unit awards, and the acknowledgement of 10 Downer Difference Champions at the Senior Leaders Offsite.
				Employee storytelling was strengthened through Season 2 of The Downer Difference podcast, with six episodes shared internally and externally via iDowner, social media, the Downer website and YouTube. External engagement also increased through targeted social media content, including podcast-related posts that generated 89,423 impressions and a 5% engagement rate, and Downer Family Scholarship posts that generated 71,410 impressions and a 6.8% engagement rate.
				The Downer Difference is now further embedded in Downer's external employee value proposition through the refreshed website, including a dedicated Our Culture page highlighting the three cultural behaviours and employee video testimonials. The page received 3,629 views in FY26, supported by a dedicated podcast page directing audiences to Spotify and YouTube.
			Announce the inaugural CEO Awards recipients and promote their stories across internal communication channels to drive visibility and engagement with the recognition program across all business units.	The inaugural CEO Awards were delivered via a Company-wide employee webinar with the CEO and four BU COOs in attendance. Eight winners were recognised across categories aligned to The Downer Difference - We own the outcomes; We do it for our customers; We stand for each other. Marcia Somani and the RAPM Team were recognised with the overall CEO Award, acknowledging their strong delivery and clear demonstration of The Downer Difference behaviours. Following the ceremony, a series of a screensavers were launched, celebrating the winners.

Focus areas	Objective	FY26 Targets	FY26 Initiatives	FY26 Outcomes
Inclusion (continued)			Undertake Family Scholarships program for its second year, supporting the educational development of future leaders within our communities. This initiative reinforces The Downer Difference by demonstrating our commitment to people, family, and long-term community impact.	Over 230 applications were received from the children and grandchildren of Downer employees. 20 recipients were awarded a $5,000 Downer Family Scholarship for tertiary education in December 2025. Fields of study included Engineering, Nursing, Science, Music, Arts, Business, Medicine and Commerce.
	Create a welcoming and safe environment for all employees who identify as lesbian, gay, bisexual, transgender, intersex, queer, asexual and other diverse genders, sexes, and sexualities.	Increase confidence of employees to identify and/or actively support LGBTIQA+, evidenced through increased participation and allyship of network group(s).	Expand the StandOut Global Network across Downer by increasing membership and delivering targeted events and engagement activities aligned with the network's strategic annual plan.	Network membership increased from 150 members (June 2025) to 195 members (June 2026), reflecting sustained engagement and increased visibility across the organisation. The Summer of Pride initiative in February delivered a significant uplift in awareness, with over 160 participants attending online sessions and multiple engagement events held across Australia and New Zealand. Additional resources and collateral were distributed to employees and managers to support engagement aligned to days of significance for LGBTQIA+ communities. Four major events have been delivered to date, further strengthening visibility, allyship, and organisational support for LGBTQIA+ employees.
Aboriginal, Torres Strait Islander and Māori peoples	Develop and lead an Employment Program for Aboriginal & Torres Strait Islander peoples at Downer.	3% Aboriginal and Torres Strait Islander employees.	Promote the framework that supports the employment of Aboriginal and Torres Strait Islander peoples at Downer, with a focus on increasing awareness among hiring managers and recruiters of the available resources, including centralised resources, tools and support for talent acquisition, onboarding, career development, mentoring, and retention.	The Downer Indigenous Employment Pathways SharePoint site continues to be utilised by talent teams and hiring managers to support attraction and development opportunities. To further support attraction and employment opportunities, Downer has become a partner of the First Nations Jobs Board in April 2026. Business Units continue to engage existing partnerships, as well as engage new partners, to provide entry pathways for young Indigenous candidates.
			Establish an Indigenous Employee Network to foster connection, engagement, and cultural support for Aboriginal and Torres Strait Islander employees at Downer, with a focus on growing participation year on year.	Following engagement with Indigenous employees, the decision was made to transition the Indigenous Employee Network to the next RAP to allow time for appropriate design and consultation. Further engagement to understand employee needs and inform the network's development will be undertaken in 2026 with support from a First Nations consultant.

Focus areas	Objective	FY26 Targets	FY26 Initiatives	FY26 Outcomes
Aboriginal, Torres Strait Islander and Māori peoples (continued)	Streamline data collection and reporting and communi-cation of ISG Strategy, outcomes and metrics internally and externally.		Continue delivering Downer's 2024-2026 Reconciliation Action Plan (RAP), progressing key initiatives and commitments that support Aboriginal and Torres Strait Islander peoples, communities, and businesses. The RAP focuses on strengthening Downer's position as an employer of choice through improved attraction, development, and retention, with delivery targeted by the second half of 2026.	Downer's 2024-2026 Innovate RAP has been delivered in full. The RAP Working Committee met quarterly to provide oversight of RAP deliverables and report on progress. Four Indigenous employees were granted a $5,000 professional development grant in 2025 as part of the Indigenous Leadership Development Initiative to undertake professional development related to their role at Downer. Downer continues to recognise Indigenous days of significance and use this opportunity to continue building cultural competency across Downer's workforce. Over 680 employees attended the 2026 NRW webinar, with an external guest speaker. The Indigenous Cultural Awareness Training modules were refreshed and deployed as part of NRW 2026, following feedback from Downer employees regarding the outdated format. The draft of the new RAP has been finalised and submitted to Reconciliation Australia.
	Partner with Indigenous businesses to build relationships, promote Best Practice procurement and increase supplier diversity.		Develop engagement plans that leverage strategic partnerships with Aboriginal and Torres Strait Islander organisations, including the Stars Foundation, Cowboys House, and Kinaway, to support shared outcomes in education, employment, and community development.	Downer continues to engage and strengthen partnerships with Cowboys House, Stars Foundation, and Kinaway, including participation of the Cowboys House at the Senior Leaders' Offsite.

Focus areas	Objective	FY26 Targets	FY26 Initiatives	FY26 Outcomes
Aboriginal, Torres Strait Islander and Māori peoples (continued)	Māori development programs.		On-going delivery of Downer's Māori leadership development program, Te Ara Whanake. This is in conjunction with our Te Whanake Timatanga program, whereby we have 70 Māori employees completing their NZQA Level 4 and above qualifications (inclusive of Degrees). 32 of these employees will complete Te Ara Whanake. Continue to deliver the Te Ara Māramatanga program to non-Māori leaders, which provides a deeper understanding of the Te Ao Māori (Māori worldview), Tikanga and protocols through noho-mare immersion. Maintaining year-on-year participation numbers. Attendance encouraged from our Australian-based leaders responsible for trans-Tasman responsibility, where/when possible.	Te Ara Māramatanga continued to build cultural capability across Downer, with 46 leaders participating during FY26, including two participants from Australia. Through the Te Whanake Timatanga program, 70 Māori employees commenced NZQA Level 4 and above qualifications, including degree-level study. Of these, 22 have graduated, 43 are progressing toward completion, and six withdrew from the program. During FY26, 24 participants completed Te Ara Whanake, with a further eight having previously completed the program. This resulted in 32 participants meeting the Te Ara Whanake objective, meeting the target of 32.
Gender Diversity	To improve opportunities for women to reach their potential through an inclusive work environment while positioning Downer Group as a preferred employer for women.	40% women in the workforce by 2027; 25% women in management positions by 2027; 28% women in executive positions by 2027; and 40% women Directors on the Board.	Refine and deliver the Thrive program as Downer's dedicated leadership development program for women, supporting personal and professional growth. Achieve target of over 80% participant satisfaction.	86 women completed the Thrive program as part of the 2025 cohort. The participants reported an 87% satisfaction rate with the refreshed format of the program. The program continues to undergo review and improvements based on participant feedback, as well as facilitator insights, to support continuous improvement and learner satisfaction. 118 women completed the new Emerging Leaders Program in 2025. 100 female participants will commence the program in July as part of the Thrive 2026 cohort. 20 female participants commenced Emerging Leaders Program in May 2025.
			Continue to deliver Sexual Harassment training to build knowledge and awareness of bullying and sexual harassment in the workforce.	90% of managers have completed the assigned module in November 2025. 83% of our people have completed the Preventing Sexual Harassment training to date.

Focus areas	Objective	FY26 Targets	FY26 Initiatives	FY26 Outcomes
Gender Diversity (continued)			Deliver another round of the Executive Mentoring Program for Women, targeting CEO-2 and CEO-3 level leaders, as well as high-potential women identified as successors. The program is designed to support the development and advancement of senior female leaders and reinforces Downer's commitment to increasing gender representation in senior leadership. The initiative aims to achieve over 80% satisfaction from both mentees and mentors.	Since July 2025, 15 high-potential senior women have participated in the Executive Mentoring Program. Mentee feedback has been consistently positive, with reported increases in confidence, development clarity, and access to senior perspectives. The introduction of the 360 assessments, supported by structured debriefs, has strengthened overall program effectiveness. Mentor feedback indicates the program is valued, with an average satisfaction score of 72%, and some opportunities identified to further strengthen mentee preparation. Mentee feedback reflected strong program outcomes, with an average satisfaction score of 88%. A new cohort of 16 participants at CEO-2 to CEO-5 levels commenced on 1 July 2026.
	To improve opportunities for women to reach their potential through an inclusive work environment while positioning Downer Group as a preferred employer for women.	40% women in the workforce by 2027; 25% women in management positions by 2027; 28% women in executive positions by 2027; and 40% women Directors on the Board.	Focus on growing the EmpowHER network in alignment with its strategic annual plan, delivering scheduled events and initiatives that foster connection and engagement among women at Downer. The program aims to maintain year-on-year increases in membership and participation.	EmpowHER has grown to 900+ (up 33% since July 2025), supported by six events since July 2025, with more than 2,300 participants. The CuppaChat initiative was launched in September 2025, which has enabled spontaneous cross-functional connections with 190 women signed up to date. Participants valued meeting women across the business and countries, building meaningful relationships and strengthening their sense of support and belonging through shared stories.
			Implement recruitment targets to promote the employment of women across all levels of the organisation, including but not limited to: ▪ 50% shortlist representation for management and professional roles; ▪ 30% shortlist targets for frontline Graduate and Apprenticeship roles and professional Graduate roles.	System limitations have made it difficult to report shortlist representation statistics; however, our recruiters continue to promote recruitment practices that help minimise negative impacts for women and minorities, for example through gender-neutral job adverts, blind CV screening and working towards improving interviewer skills.
			Maintain a commitment to achieving a target of 40% female representation in the annual cohorts of Downer's enterprise-wide leadership programs. Establish and implement regular reporting mechanisms to track progress.	In FY26, 65% of participants who attended enterprise-wide leadership programs (ILP 1 & 2, LEaD, Thrive and ELP) were females.

Looking ahead: 2027 measurable objectives

Focus area	Objective	FY27 Targets	FY27 Initiatives
Inclusion	Continue to drive Inclusion & Belonging as a key focus for the organisation to support Downer culture and an inclusive workplace, identifying initiatives that create sustainable change.	The Downer Difference is embedded in the organisation with >80% of the workforce having at least one touchpoint of exposure.	Continue to embed The Downer Difference externally across key touchpoints - iDowner, Group-wide emails, webcasts, senior leader forums, website, and social media. Planned launch of Downer Group Instagram in July 2026 will provide another focused touchpoint for both current and potential/future employees in the 18 - 34 age group to promote Downer's Culture. We also aim to elevate The Downer Difference by linking to our People Promise (Employee Value Proposition) campaign, launching in Q1 FY27 internally and externally. Announce the CEO Awards recipients and promote their stories across internal communication channels to drive visibility and engagement with the recognition program across all Business Units. Continue to offer 20 scholarships annually to children or grandchildren of Downer employees, supporting the educational development of future leaders within our communities. This initiative reinforces The Downer Difference by demonstrating our commitment to people, family, and long-term community impact.
		Increase knowledge of allyship behaviours and build inclusion and belonging allies to support Downer's culture.	Run a Share & Learn session focused on Allyship - what it is and how to be a good ally with practical applications in the workplace. Continue with the recognised Downer Inclusion & Belonging days, Share & Learn sessions and Employee Network sponsored events.
	Create a welcoming and safe environment for all employees who identify as lesbian, gay, bisexual, transgender, intersex, queer, asexual and other diverse genders, sexes, and sexualities.	Increase confidence of employees to identify and/or actively support LGBTIQA+, evidenced through increased participation and allyship of network group(s).	Continue to support our StandOut Global employee network to advance inclusion in Downer through continued awareness and knowledge building. Showcase stories of our diverse employees e.g. LGBTQIA+ employees or employees with disability, or employees with neurodiversity, to increase visibility and representation across the organisation. Encourage the sharing of stories that demonstrate intersectionality (aspects to be led by our employee networks, including StandOUT Global).
	Create a welcoming and enabling environment for employees who have a disability or have neurodivergence.	Increase our manager's awareness and skills in managing accommodations to better enable people with disabilities, while also allowing those employees know how to request support.	Expand the Welcome to Downer SharePoint resources to include neurodivergence and disability onboarding support resources. Develop a Disability & Neurodiversity Hub, covering various support resources for employees and managers on effectively supporting employees with differing needs.

Focus area	Objective	FY27 Targets	FY27 Initiatives
Aboriginal, Torres Strait Islander and Māori peoples	Develop and lead an Employment Program for Aboriginal & Torres Strait Islander peoples at Downer.	3% Aboriginal and Torres Strait Islander employees.	Promote the framework that supports the employment of Aboriginal and Torres Strait Islander peoples at Downer, with a focus on increasing awareness among hiring managers and recruiters of the available resources, including centralised resources, tools and support for talent acquisition, onboarding, career development, mentoring, and retention. Undertake an initial assessment to determine the need and feasibility of an Indigenous Employee Network at Downer - evaluating demand, potential impact, and sustainability - then, based on these insights, design and implement a network that fosters connection, engagement, and cultural support for Aboriginal and Torres Strait Islander employees. Continue to provide financial grants available to Aboriginal and Torres Strait Islander employees to support professional development linked to their career development plan at Downer. Launch and commence delivery of Downer's new Reconciliation Action Plan, in line with approved timelines. Investigate HRCore capability to support ethnicity-based recruitment reporting, where candidates choose to disclose this information, and assess options to strengthen Aboriginal and Torres Strait Islander candidate participation in the Australian recruitment processes.
	Partner with Indigenous businesses to build relationships, promote Best Practice procurement and increase supplier diversity.		Continue to leverage strategic partnerships with Aboriginal and Torres Strait Islander organisations, including the Stars Foundation, Cowboys House, and Kinaway, to support shared outcomes in education, employment, and community development, and undertake a market review to establish a new strategic partnership to continue supporting the delivery of Downer's RAP.
	Māori development programs.		Continue delivery of Te Ara Whanake, Downer's Māori leadership development program for Māori leaders within Downer New Zealand. The program is designed to build leadership capability and support a cohort of up to 20 participants. Continue to deliver the Te Ara Māramatanga program to non-Māori leaders, which provides a deeper understanding of the Te Ao Māori (Māori worldview), Tikanga and protocols through noho-mare immersion. Maintaining year-on-year participation numbers. Attendance encouraged from our Australian-based leaders responsible for trans-Tasman responsibility, where/when possible.

Focus area	Objective	FY27 Targets	FY27 Initiatives
Gender Diversity	To improve opportunities for women to reach their potential through an inclusive work environment while positioning Downer Group as a preferred employer for women.	30% women in the workforce by 2028; 25% women in management positions by 2028; 33% women in executive positions by 2028; and 40% women Directors on the Board.	Continue delivering THRIVE as Downer's dedicated leadership development program for women, supporting personal and professional growth. Achieve target of over 80% participant satisfaction. The Emerging Leaders Program will continue to be delivered to an all-female cohort once a year, with all remaining cohorts offered as open to all employees. Continue to deliver Sexual Harassment training to build knowledge and awareness of bullying and sexual harassment in the workplace. Enhance sexual harassment reporting and increase domestic violence aligned to WGEA targets. Continue to monitor and report on gender pay gaps. Continue to educate and assess remuneration practices that may be leading to inequitable gender pay gaps. Deliver another round of the Executive Mentoring Program for Women, targeting CEO-2 and CEO-5 level leaders, as well as high-potential women identified as successors. The program is designed to support the development and advancement of senior female leaders and reinforces Downer's commitment to increasing gender representation in senior leadership. The initiative aims to achieve over 80% satisfaction from both mentees and mentors. Focus on growing the EmpowHER network in alignment with its strategic annual plan, delivering scheduled events and initiatives that foster connection and engagement among women at Downer, with a new focus on early-in-career women for FY27. The program aims to maintain year-on-year increases in membership and participation. Improve visibility of gender representation in recruitment processes and continue to monitor progress against Downer's shortlist aspirations of 50% women for traditionally female roles and 30% women for traditionally non-female roles. Recruitment decisions will continue to be merit-based. Maintain a commitment to achieving a target of 40% female representation in the annual cohorts of Downer's enterprise-wide leadership programs. Establish and implement regular reporting mechanisms to track progress. Additionally, commit to delivering one women-only Emerging Leaders Program cohort each year to strengthen the talent pipeline of future female leaders. Develop education and awareness for managers and employees on supporting significant life changes for women in the workplace through the development of a Menopause hub in conjunction with the EmpowHER network. Implement support tools that help women with career transitions (for parenthood or extended leave) with tailored onboarding/returning and mentorship support.

Principle 2: Structure the Board to be effective and add value

Throughout the 2026 financial year, the Board was comprised of a majority of independent Directors.

The Board is currently comprised of the Chair (Mark Menhinnitt, an independent, Non-executive Director), six other independent, Non-executive Directors and an Executive Director (the Group CEO, Peter Tompkins). Details of the members of the Board, including their skills, experience, status and their term of office are set out in the Directors' Report on pages 19 to 20 and are also available on the Downer website at **www.downergroup.com**.

The composition of the Board is reviewed and assessed by the Nominations Committee so that the Board is of a composition, size and commitment to effectively discharge its responsibilities and duties.

Directors are required to bring their independent judgement to bear on all Board decisions. To facilitate this, it is Downer's policy to provide Directors with access to independent professional advice at the Company's expense in appropriate circumstances.

Downer's Non-executive Directors recognise the benefit of conferring regularly without management present, and they do so at various times throughout the year.

The Board considers that an independent Director is a Non-executive Director who is not a member of management and who is free of any business or other relationship that could (or could reasonably be perceived to) materially interfere with the independent exercise of their judgement.

The Board regularly assesses the independence of each Director so that each Director has the capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of Downer as a whole.

Downer's governance framework requires each Director to promptly disclose actual and possible conflicts of interest, any interests in contracts, other directorships or offices held, related party transactions and any dealing in the Company's securities.

At least one Director must retire from office at each Annual General Meeting (AGM). No Non-executive Director can serve more than three years without offering themselves for re-election.

The Chair of the Board is an independent, Non-executive Director. The Chair is responsible for the leadership of the Board and for the efficient organisation and functioning of the Board.

The Chair is appointed by the Board so that a high standard of values, governance and constructive interaction is maintained.

The Chair facilitates the effective contribution of all Directors and promotes constructive and respectful relations between Directors and the Board and management. The Chair also represents the views of the Board to Downer's shareholders and conducts the AGM.

The roles of Chair and Group CEO are not exercised by the same person and the division of responsibilities between the Chair and the Group CEO have been agreed by the Board and are set out in the Board Charter and Downer's Delegations Policy.

The Board has established a number of committees to assist the Board to effectively and efficiently execute its responsibilities. A list of the Board Committees and their current membership is set out in the table.

Board Committee	Chair	Members
Audit and Risk	Peter Barker	Kerry Gleeson Adelle Howse Steven MacDonald
Nominations	Mark Menhinnitt	Peter Barker Sheridan Broadbent Annette Carey Kerry Gleeson Adelle Howse Steven MacDonald
People and Culture	Adelle Howse	Peter Barker Sheridan Broadbent Annette Carey Mark Menhinnitt
Project Governance	Steven MacDonald	Peter Barker Sheridan Broadbent Annette Carey Mark Menhinnitt Peter Tompkins
Zero Harm	Sheridan Broadbent	Kerry Gleeson Steven MacDonald Mark Menhinnitt Peter Tompkins

The names of members of each Committee, the number of meetings and the attendances by each of the members of the various committees to which they are appointed is set out in the Directors' Report on page 51.

The role of the Audit and Risk Committee is set out under Principle 7 on page 239 of this statement.

The Board has established the Nominations Committee to oversee the practices for selection and appointment of Directors of the Company.

The Nominations Committee's primary purpose is to support and advise the Board on fulfilling its responsibilities to shareholders so that the Board is comprised of individuals who are best able to discharge the responsibilities of Directors having regard to the law and leading governance practice.

The Nominations Committee has a charter which sets out its roles and responsibilities, composition, structure, membership requirements and the procedures for inviting non-committee members to attend meetings.

The Nominations Committee Charter gives the Nominations Committee access to internal and external resources, including advice from external consultants and specialists. The Nominations Committee Charter is available on the Downer website at **www.downergroup.com**.

The Nominations Committee, all members of which are independent Directors, is chaired by an independent Director and has a minimum of three members.

The Committee's responsibilities include:

- Assessing the skills and competencies required on the Board
- Assessing the extent to which the required skills are represented on the Board
- Establishing processes for the review of the performance of individual Directors, Board Committees and the Board as a whole
- Establishing processes for the review of the remuneration of Directors
- Establishing processes for identifying suitable candidates for appointment to the Board (including undertaking a formal due diligence screening process)
- Recommending the engagement of nominated persons as Directors.
- Recommending the appointment, remuneration, performance and development of the CEO.

When appointing Directors, the Nominations Committee aims for an appropriate balance of skills, experience, expertise and that diversity is represented on the Board. This may result in a Non-executive Director with a longer tenure remaining in office to bring that experience and depth of understanding to matters brought before the Board.

Given the breadth of Downer's service offerings across a range of markets, the Board seeks to maintain an appropriate range of technical skills and executive experience across engineering and construction disciplines as well as services activities, and professional services when considering the appointment of a new Director.

Downer's Board renewal program is ongoing. The Board identified operational and technical expertise in business and digital transformation, and legal expertise as well as experience in senior executive roles as key skills required for the future.

Peter Barker joined the Board as a Director on 1 July 2024. Mr Barker is an experienced Non-executive Director and senior executive with experience in finance, risk management, corporate structuring including mergers, acquisitions and divestments, and systems transformation in complex multi-jurisdictional environments in the engineering, services and technology sectors.

On 20 June 2025, the Company also announced that as part of the Board's ongoing renewal process, the retirement of Teresa Handicott and the appointments of Kerry Gleeson and Annette Carey as independent Non-Executive Directors, effective 1 September 2025 and 1 November 2025 respectively.

Kerry Gleeson joined the Board as a Director on 1 September 2025. Ms Gleeson is an experienced Chair and Non-Executive Director in the industrial, mining and resources sectors, with over 25 years of ASX experience as a director, senior executive and board advisor, working nationally and internationally. Ms Gleeson spent over 15 years in private corporate legal practice before a successful senior executive career, most recently with an ASX listed global chemicals and explosives Group.

Annette Carey joined the Board as a Director on 1 November 2025. Ms Carey has more than 20 years' experience as a senior executive, where she has led multi-billion-dollar operational businesses in the logistics, supply chain, government and security sectors in Australia and internationally. This included five years as CEO of Linfox Logistics and Linfox Armaguard. Ms Carey is experienced in strategy development, mergers and acquisitions, business transformation including digital transformation, project governance and commercial negotiations.

Teresa Handicott retired as a Director effective 11 November 2025.

From time to time, Downer engages external specialists to assist with the selection process as necessary, and the Chair, Board and Group CEO meet with candidates as part of the appointment process.

Nominations for re-election of Directors are reviewed by the Nominations Committee and Directors are re-elected in accordance with the Downer Constitution and the ASX Listing Rules.

The role of the People and Culture Committee is set out under Principle 8 on page 239 of this statement.

The Project Governance Committee's primary purpose is to approve tender opportunities that are above defined value and risk thresholds at defined stage gates (pursue, prepare, submit tender and execute contract) and monitor overall performance of the portfolio of projects. The Committee is chaired by an independent Director and comprises six members, including the Group CEO.

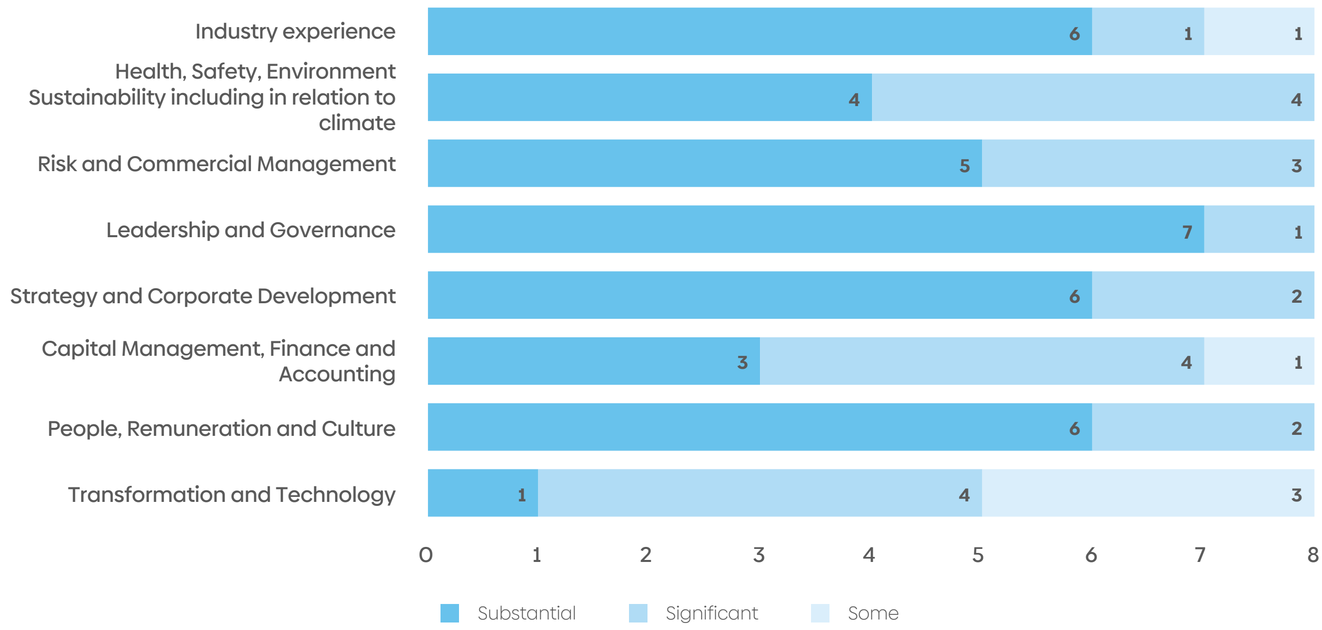
The Zero Harm Committee's purpose is to assist the Board in its oversight of the Company's compliance with its health, safety, environment and sustainability commitments, and its legal and regulatory obligations.

The Company has formal induction procedures for Directors. These induction procedures have been developed to enable new Directors to gain an understanding of:

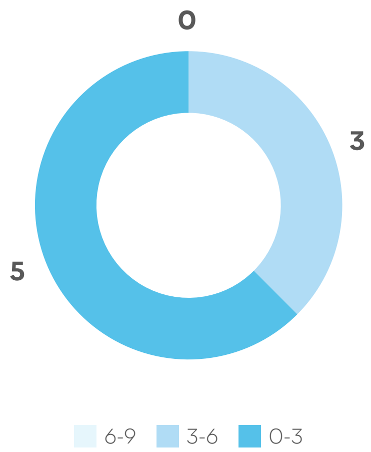
- Downer's financial position, strategies, operations and risk management policies
- The respective rights, duties and responsibilities and roles of the Board and senior executives
- Downer's culture and values.

The chart below illustrates the balance achieved with the current Board composition. The Company recognises the value of diversity which has been a component of the appointment process for many years.

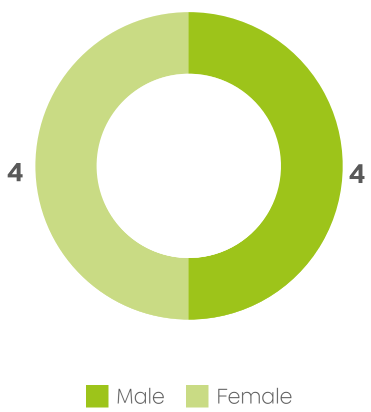
Skills



Tenure (years)



Gender Diversity



Directors are given an induction briefing by the Company Secretary and induction materials containing information about Downer and its business, Board and Committee charters and Downer Group policies. New Directors also meet with key senior executives to gain an insight into the Company's business operations and the Downer Group structure.

Directors are encouraged to continually build on their exposure to the Company's business and there is a program of Director site visits. Directors are also encouraged to attend appropriate training and professional development courses to update and enhance their skills and knowledge and regular governance and other continuing education sessions are organised for the Board.

The Board is provided with the information it needs to discharge its responsibilities effectively. The Directors also have access to the Company Secretary for all Board and governance-related issues and the appointment and removal of the Company Secretary is determined by the Board. The Company Secretary is accountable to the Board, through the Chair, on all governance matters.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Downer's Purpose is to enable communities to thrive, and Downer's Promise is that our customers' success is our success. Downer's Purpose and Promise are founded on the Pillars of Safety and Sustainability, Delivery, Relationships and Thought Leadership and define the way it manages its business and are the foundations that support Downer's culture. An overview of the Purpose, Promise and Pillars can be found on the Downer website at **www.downergroup.com**.

Downer strives to attain the highest standards of behaviour and business ethics when engaging in corporate activity. Downer's Standards of Business Conduct sets the ethical tone and standards of the Company and deals with matters such as:

- Compliance with the letter and the spirit of the law
- Workplace behaviour
- Prohibition against bribery and corruption
- Protection of confidential information
- Engaging with stakeholders
- Human Rights
- Workplace safety
- Inclusion and belonging
- Sustainability
- Conflicts of interest.

Downer has a formal Whistleblower and Business Integrity policy and procedures for reporting and investigating reportable conduct. This includes the Our Voice service, an external and independent reporting service which enables employees, contractors, suppliers, consultants, or service providers to anonymously report potential breaches, including misconduct or other unethical behaviour. Reports received through Our Voice are investigated where appropriate, with senior leaders overseeing the completion of any remedial action. The Board is informed of material breaches of the Standards of Business Conduct through reporting of incidents reported under the Whistleblower and Business Integrity policy, investigations of allegations of fraud and breaches of Downer's Zero Harm Cardinal Rules.

The Standards of Business Conduct applies to all officers and employees and is available on the Downer website at **www.downergroup.com.**

Downer endorses leading governance practices and has in place policies setting out the Company's approach to various matters, including:

- Securities trading (stipulating 'closed periods' for designated employees and a formal process which employees must adhere to when dealing in securities)
- The Company's disclosure obligations (including continuous disclosure)
- Communicating with shareholders and the general investment community
- Privacy.

Downer has an Anti-Bribery and Corruption Policy which expands upon the prohibition against bribery and corruption contained in the Standards of Business Conduct, and which addresses key issues such as working with government, and political donations. The Gifts and Benefits Policy addresses the offering, giving or accepting of gifts and benefits.

The Board is informed of material breaches of the Anti-Bribery and Corruption Policy.

As Downer has operations in foreign jurisdictions, Downer employees are confronted by the challenges of doing business in environments where bribery and corruption are real risks.

However, regardless of the country or culture within which its people work, Downer is committed to compliance with the law, as well as maintaining its reputation for ethical practice.

All employees receive training on the Standards of Business Conduct, Downer's Purpose, Promise and Pillars, workplace behaviour and Zero Harm on commencement of employment as well as routine refresher training thereafter. Further specific training is also provided depending on the function of particular roles.

These policies are available on the Downer website at **www.downergroup.com**.

Principle 4: Safeguard the integrity of corporate reports

The Company has in place a structure of review and authorisation which independently verifies and safeguards the integrity of its financial reporting.

An external limited assurance engagement is performed on selected sustainability information in Downer's Annual Sustainability Report and Climate Statement. Downer also follows a comprehensive internal verification process to provide assurance over the integrity of the Sustainability Report and other periodic corporate reports which are not audited or reviewed by the external auditor, including the Directors' Report and ESG Impact Report, Corporate Governance Statement, and Information for Investors. This process involves review of reporting by relevant subject matter experts across the organisation so that it is materially accurate, balanced and provides investors with appropriate information.

The Audit and Risk Committee assists the Board to fulfil its responsibilities relating to:

- The quality and integrity of the accounting, auditing and reporting practices of the Company with a particular focus on the qualitative aspects of financial reporting to shareholders
- The Company's risk profile and risk policies
- The effectiveness of the Company's system of internal control and framework for risk management.

The Audit and Risk Committee is structured so that it:

- Consists of only Non-executive Directors
- Consists of a majority of independent Directors
- Is chaired by an independent Chair (who is not the Chair of the Board)
- Has at least three members.

The Audit and Risk Committee comprises only independent Directors, includes members who are financially literate and has at least one member who has relevant qualifications and experience.

The Audit and Risk Committee Charter sets out the Audit and Risk Committee's role and responsibilities, composition, structure and membership requirements and the procedures for inviting non-committee members to attend meetings.

The Board receives assurances from the Group CEO and the Group CFO that the declarations provided to it in relation to the annual and half-year financial statements, in accordance with sections 295A and 303(4) of the *Corporations Act 2001* (Cth), are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. To support these declarations, management has established the Financial and Corporate Governance Self-Assessment (FCGSA) process, which involves the completion of an online survey by the key operational and functional executives of the Company, which covers accounting and financial matters, fraud, policy compliance and Zero Harm, from which a summary of responses is provided to the Board and informs the declarations.

Downer's external auditor attends the Company's AGMs and is available to answer any questions which shareholders may have about the conduct of the external audit for the relevant financial year and the preparation and content of the Audit Report.

Information regarding the number of times the Audit and Risk Committee convened in FY26, together with the individual attendances of members at the meetings, is set out in the Directors' Report on page 51.

The Audit and Risk Committee Charter is available on the Downer website at **www.downergroup.com.**

Principle 5: Make timely and balanced disclosure

The Company's Communication and Continuous Disclosure Policy sets out processes which assist the Company so that all investors have equal and timely access to material information about the Company and that Company announcements are factual and presented in a clear and balanced way. It includes that new and substantive investor or analyst presentations are released on the ASX Market Announcements Platform ahead of the presentation.

A copy of the Communication and Continuous Disclosure Policy is available on the Downer website at **www.downergroup.com**.

The Communication and Continuous Disclosure Policy also sets out the procedures for identifying and disclosing material and market-sensitive information in accordance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules. The Board receives copies of all material market announcements promptly after they have been made.

Principle 6: Respect the rights of security holders

Downer empowers its shareholders by:

- Communicating effectively, openly and honestly with shareholders
- Giving shareholders ready access to balanced and understandable information about the Company and its governance
- Making it easy for shareholders to participate in general meetings
- Giving shareholders the option to receive communications from, and send communications to, the Company and its security registry electronically.

The Downer Communication and Continuous Disclosure Policy sets out the Company's approach to communicating with shareholders and is available on the Downer website at **www.downergroup.com.**

The Company publishes corporate information on its website at **www.downergroup.com**, including Annual and Half Year Reports, ASX announcements, investor updates and media releases.

Downer encourages shareholder participation at members' meetings through its use of electronic communication, including by making notices of meetings available on its website and audio-visual casting of general meetings and audio casting of significant Group presentations. All substantive resolutions at meetings of shareholders are conducted by poll.

The Directors and key members of management attend the Company's AGMs and are available to answer questions.

Principle 7: Recognise and manage risk

Downer's Audit and Risk Committee assists the Board in its oversight of Downer's risk profile and risk policies, the effectiveness of the systems of internal control and Risk Management Framework and Downer's compliance with applicable legal and regulatory obligations. The Audit and Risk Committee Charter is available on the Downer website at **www.downergroup.com.**

Management reports regularly to the Audit and Risk Committee on the effectiveness of Downer's management of its material business risks and on the progress of mitigation treatments.

To mitigate the risks that arise through its activities, Downer has various risk management policies and procedures in place that cover (among other matters) interest rate management, foreign exchange risk management, credit risk management, tendering and contracting risk and project management.

Downer has controls at the Board, Board Committee, executive and business unit levels that are designed to safeguard Downer's interests and the integrity of reporting (including accounting, financial reporting, environmental and workplace health and safety policies and procedures). These controls are directed at compliance with legal and regulatory requirements, as well as community standards.

Downer has a Risk Management Framework in place to enable business risks to be identified, evaluated and managed.

The Board ratifies Downer's approach to managing risk and oversees Downer's Risk Management Framework, including the Group risk profile and the effectiveness of the systems being implemented to manage risk. The last review of the Risk Management Framework was completed in 2025. The Board reviews the Group risk profile twice each year and considers other risk matters, such as business resilience, tender review processes, risk appetite, and specific risk areas, on a regular basis, as well as regular reports from senior management, the internal audit team, and the external auditor.

Downer's annual ESG Impact Report and Sustainability Report provide a detailed overview of Downer's approach to managing its environmental and social risks and opportunities. These reports are available on the Downer website at **www.downergroup.com**.

The Company's internal audit function objectively evaluates and reports on the existence, design and operating effectiveness of internal controls. Downer's internal audit team is independent of the external auditor and reports to the Audit and Risk Committee.

Principle 8: Remunerate fairly and responsibly

The Board has established a People and Culture Committee and has adopted the People and Culture Committee Charter which sets out its role and responsibilities, composition, structure and membership requirements and the procedures for inviting non-committee members to attend meetings.

The People and Culture Committee is responsible for reviewing and making recommendations to the Board about:

- People, culture and conduct
- Talent management and succession
- Inclusion and belonging
- Executive remuneration and incentive policies
- The remuneration, recruitment, retention, performance measurement and termination policies and procedures for all senior executives reporting directly to the Group CEO
- Executive and equity-based incentive plans
- Superannuation arrangements and retirement payments.

Remuneration of the Non-executive Directors forms part of the responsibilities of the Nominations Committee.

Downer's remuneration policy is designed to motivate senior executives to pursue the long-term growth and success of the Company and prescribes a relationship between the performance and remuneration of senior executives.

The People and Culture Committee is structured so that it:

- Consists of a majority of independent Directors
- Is chaired by an independent Director
- Has at least three members.

The Executive Director is not a member of the People and Culture Committee.

The maximum aggregate fee approved by shareholders that can be paid to Non-executive Directors is $2.4 million per annum.

This cap was approved by shareholders on 3 November 2022. Further details about remuneration paid to Non-executive Directors are set out in the Remuneration Report at page 128.

Retirement benefits, other than superannuation, are not paid to Non-executive Directors.

Non-executive Directors do not participate in any equity incentive schemes.

The remuneration structure for Executive Directors and senior executives is designed to achieve a balance between fixed and variable remuneration taking into account the performance of the individual and the performance of the Company. Executive Directors receive payment of equity-based remuneration as short-term and long-term incentives.

Executive Directors and senior executives are prohibited from entering transactions in associated products which limit the economic risk of participating in unvested entitlements under any of the Company's equity-based remuneration schemes, as set out in the Securities Trading Policy. A copy of the Securities Trading Policy is available on the Downer website at **www.downergroup.com**.

Further details about the remuneration of Executive Directors and senior executives are set out in the Remuneration Report at page 114 and details of Downer shares beneficially owned by Directors are provided in the Directors' Report at page 129.

Information for Investors

for the year ended 30 June 2026

Downer shareholders

Downer had 17,822 ordinary shareholders as at 10 July 2026, of which 16,417 shareholders had a registered address in Australia.

The largest shareholder, HSBC Custody Nominees (Australia) Limited, held 30.78% of the 659,010,687 fully paid ordinary shares issued at that date.

Securities exchange listing

Downer is listed on the Australian Securities Exchange (ASX) under the ASX code DOW, and is a foreign exempt issuer on the New Zealand Exchange with the ticker code DOW.

Company information

The Company's website www.downergroup.com offers comprehensive information about Downer and its services. The site also contains announcements to the ASX and NZX, financial presentations, Annual Reports, Half Year Reports and Company news. Downer printed communications for shareholders include the Annual Report which is available on request.

Dividends

Dividends are determined by the Board having regard to a range of circumstances within the business operations of Downer including operating profit and capital requirements. The level of franking on dividends is dependent on the level of taxes paid to the Australian Taxation Office by Downer and its incorporated joint ventures.

Dividends are paid in Australian dollars, other than for shareholders with a registered address in New Zealand, who receive dividends in New Zealand dollars unless an election is made to receive payment in Australian dollars by providing Australian bank account details.

International shareholders can use Computershare's Global Payments System to receive dividend payments in the currency of their choice at a nominal cost to the shareholder.

Dividend Reinvestment Plan

Downer's Dividend Reinvestment Plan (DRP) is a mechanism to allow shareholders to increase their shareholding in the Company without the usual costs associated with share acquisitions, such as brokerage. Details of the DRP are available from the Company's website or at www.computershare.com.au/investor.

The Company's Dividend Reinvestment Plan remains suspended.

Updating your shareholder details

Shareholders can update their details (including banking and tax information, DRP elections and communication preferences) online at www.computershare.com/investor. Simply log-in or sign up to create your Investor Centre account.

Shareholders will require their holder number (SRN/HIN) and postcode to access this site.

Tax file number information

Providing your tax file number to Downer is not compulsory. However, for shareholders who have not supplied their tax file number, Downer is required to deduct tax at the top marginal rate plus Medicare levy from unfranked dividends paid to investors residing in Australia. For more information please contact Computershare.

Lost issuer sponsored statement

You are advised to contact Computershare immediately, in writing, if your issuer sponsored statement has been lost or stolen.

Annual Report mailing list

Shareholders must elect to receive a Downer Annual Report by writing to Computershare Investor Services Pty Ltd at the address provided. Alternatively, shareholders may choose to receive this publication electronically.

Change of address

So that we can keep you informed, and protect your interests in Downer, it is important that you inform Computershare of any change of your registered address.

Registered office and principal administration office

Downer EDI Limited
Level 2, Triniti III,
Triniti Business Campus
39 Delhi Road
North Ryde NSW 2113

Tel: +61 2 9468 9700
Fax:+61 2 9813 8915

Auditor

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
Barangaroo
Sydney NSW 2000

Australian securities exchange information as at 10 July 2026

Number of holders of equity securities: 17,822.

Ordinary share capital

659,010,687 fully paid listed ordinary shares were held by 17,822 shareholders. All issued ordinary shares carry one vote per share.

Substantial shareholders

The following shareholders have notified that they are substantial shareholders of Downer as at 10 July 2026.

Shareholders	Ordinary shares held	% of issued shares
L1 Capital Pty Ltd	54,221,441	8.20 %
The Vanguard Group, Inc.	47,097,391	7.12 %
State Street Corporation	44,986,673	6.82 %
T Rowe Price Associates, Inc.	40,961,899	6.09 %
Pendal Group Limited	41,010,826	6.07 %
Dimensional Fund Advisors LP	40,335,725	6.00 %
Perpetual Limited	34,759,132	5.25 %
Host-Plus Pty Limited	34,565,070	5.22 %
Macquarie Group Limited	33,248,560	5.04 %

Distribution of holders of quoted equity securities

Shareholder distribution of quoted equity securities as at 10 July 2026 is as follows.

Range of holdings	Number of Shareholders	Shareholders %	Ordinary shares held	Shares %
1 – 1,000	11,020	61.83	4,327,789	0.65
1,001 – 5,000	5,079	28.50	11,733,331	1.78
5,001 – 10,000	1,013	5.68	7,358,256	1.12
10,001 – 100,000	668	3.75	14,078,167	2.14
100,001 and over	42	0.24	621,513,144	94.31
Total	**17,822**	**100.00**	**659,010,687**	**100.00**
Holding less than a marketable parcel of shares	920			

Twenty largest shareholders

Downer's 20 largest shareholders of ordinary fully paid shares as at 10 July 2026 are as follows.

Shareholders	Shares held	% of shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	202,873,575	30.78
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	183,153,014	27.79
CITICORP NOMINEES PTY LTD	164,208,196	24.92
BNP PARIBAS NOMS PTY LTD	18,557,681	2.82
ARGO INVESTMENTS LTD	12,415,059	1.88
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	10,227,111	1.55
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5,329,611	0.81
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,377,813	0.51
BNP PARIBAS NOMS (NZ) LTD	2,816,103	0.43
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,688,008	0.41
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL>	2,202,800	0.33
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,573,328	0.24
BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	1,207,512	0.18
UBS NOMINEES PTY LTD	1,075,220	0.16
SANDHURST TRUSTEES LTD <HARPER BERNAYS LTD A/C>	1,006,698	0.15
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	934,587	0.14
GLENICE MARGARET PATTERSON	891,642	0.14
CPU SHARE PLANS PTY LTD <DOW ELT UNALLOCATED ACCOUNT>	613,608	0.09
MR JOHN WILLIAM HARBOT	612,922	0.09
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	608,352	0.09
Total for top 20 shareholders	**616,372,840**	**93.51**

On-market share buy-back

On 21 August 2025, the Board resolved to undertake an on-market share buy-back program that commenced on 16 September 2025 and ended on 30 June 2026. The total number of shares acquired was 12,562,992.

On 20 August 2026, the Board resolved to undertake an on-market share buy-back program that will operate from 7 September 2026. The total number of shares proposed to be acquired will be 21,015,692. The total number of shares to be purchased under the buy-back will depend on share price levels and capital requirements. The share buy-back program is part of Downer's ongoing capital management strategy and will be managed in conjunction with capital requirements for growth. Downer has a strong balance sheet and is in a good position to take advantage of growth opportunities, including mergers and acquisitions, but any prospect will be subject to robust risk assessment. Downer will focus on opportunities that are strategic, the right price and grow the Company's capability.

Corporate Directory

Registered office and principal administration office

Downner EDI Limited
Level 2, Triniti III,
Triniti Business Campus
39 Delhi Road
North Ryde NSW 2113

Tel: +61 2 9468 9700
Fax: +61 2 9813 8915

Directors

Mark Menhinnitt

Peter Tompkins

Peter Barker

Sheridan Broadbent

Annette Carey

Kerry Gleeson

Dr Adelle Howse

Steven MacDonald

Company Secretaries

Robert Regan

Peter Lyons

Share registry

Computershare
Level 4, 44 Martin Place
Sydney NSW 2000
GPO Box 2975
Melbourne VIC 3000

Tel: 1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)
Fax: 1300 534 987 (within Australia)
+61 3 9473 2408 (outside Australia)

www.computershare.com

Auditor

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
Barangaroo
Sydney NSW 2000

Investor website

www.downergroup.com

Securities Exchange Listing

Downer is listed on the Australian Securities Exchange (ASX) under the 'Downer EDI' market call code 3965, with ASX code DOW and is a foreign exempt issuer on the New Zealand Exchange with the ticker code DOW.

Independent Limited Assurance

PwC has provided limited assurance over selected sustainability metrics (e.g. TRIFR /LTIFR) contained in the Annual Report. Please refer to Downer's ESG Impact Report on Downer's website to see the limited assurance report.

Downer