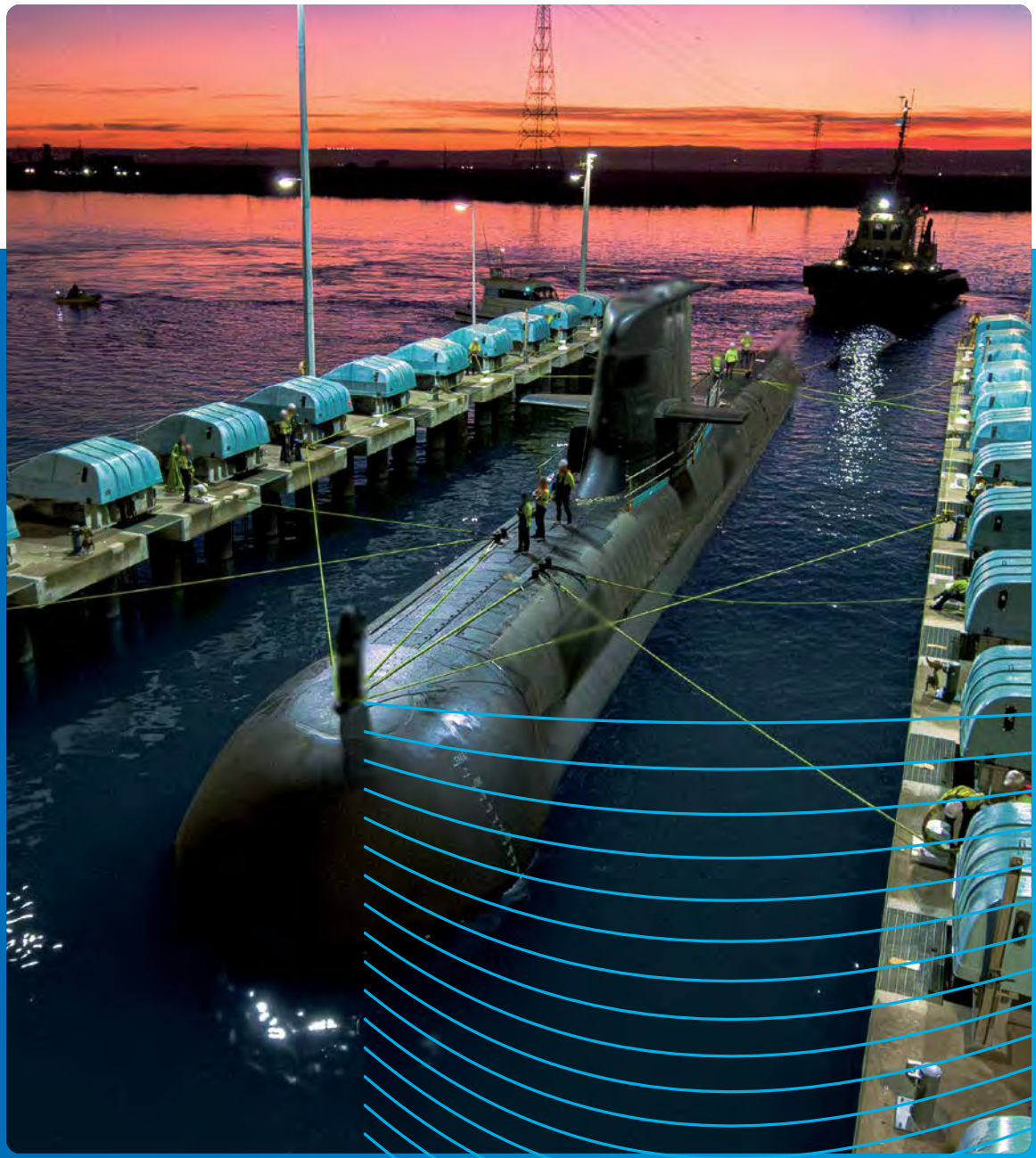
ASC Australia's Submarine Company



Annual Report 2026

Acknowledgement of Country

We acknowledge the Traditional Owners of the lands and waters on or near ASC's operations in South Australia and Western Australia – the Kaurna people of the Adelaide Plains and the Whadjuk Noongar people of Perth's Swan Coastal Plain.

We pay our respects to elders past and present, and we extend that respect to all Aboriginal and Torres Strait Islander peoples.





Artwork by Aaron Hayden

Aaron Hayden resides in Western Australia and was born in Port Lincoln, South Australia. With strong connections in both South Australia and Western Australia, ASC engaged Aaron to illustrate both states in our Reconciliation Action Plan artwork.

The artwork represents ASC's values of protect, respect, integrity, discipline and excellence and uniquely depicts people working together on both the land and on water. The symbol at the centre depicts ASC people coming together through water and the Great Australian Bight.


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ASC

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Glossary

AASB	Australian Accounting Standards Board
AI	Artificial Intelligence
ANAO	Australian National Audit Office
ANI	Australian Naval Infrastructure
AS	Australian Standard
ASA	Australian Submarine Agency
ASIB	Australian Submarine Industry Base
AUKUS	Australia, United Kingdom, United States (a trilateral security partnership)
AWD	Air Warfare Destroyer
BASC	Business Assurance and Security Committee
BoM	Bureau of Meteorology
CCSM	Collins Class Submarine
CEO	Chief Executive Officer
CoA	Commonwealth of Australia
CCD	Commonwealth Climate Disclosure
CROMP	Climate Risk and Opportunity Management Program
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DCCEEW	Department of Climate Change, Energy, Environment and Water
DEI	Diversity, Equity and Inclusion
DIVQ	Defence Industry Vendor Qualification
DoD	Department of Defence
DoF	Department of Finance
DTP	Digital Transformation Program
EA	Enterprise Agreement
EAC	Estimate at Completion
ECP	Early Careers Program
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EFA	Equity Funding Agreement
EPMO	Enterprise Portfolio Management Office
ERMC	Executive Risk Management Committee
ExCo	Executive Committee
FCD	Full-Cycle Docking
FoC	First of Class
FY	Financial Year
GAT	Graduate, Apprenticeship and Traineeship
GBE	Government Business Enterprise
GHG	Greenhouse Gas
HCFP	Hunter Class Frigate Program
HMAS	His Majesty's Australian Ship
HPAC	High-Pressure Air Compressor
HPAD	High-Pressure Air Dryer
HRRC	Human Resources and Remuneration Committee
IJV	Incorporated Joint Venture
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
ISSC	In Service Support Contract
IT	Information Technology
KPI	Key Performance Indicator
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual, Plus
LLC	Limited Liability Company
LOTE	Life of Type Extension
LTI	Lost-Time Injury
LTIFR	Lost-Time-Injury Frequency Rate
MCD	Mid-Cycle Docking
MCP	Major Control Point
MCS	Multi-Class Sustainment
MD	Managing Director
MSO	Maritime Standing Offer
MTI	Medically Treated Injury
MTIFR	Medically-Treated-Injury Frequency Rate
NGA	National Greenhouse Accounts
NPSCY	Nuclear-Powered Submarine Construction Yard
NSMS	Nuclear Safety Management System
NSSG	Naval Shipbuilding and Sustainment Group
OL&D	Organisational Learning and Development
OPV	Offshore Patrol Vessel
PAT	Profit After Tax
PBT	Profit Before Tax
PGPA	Public Governance Performance and Accountability Act 2013
PHNSY	Pearl Harbor Naval Shipyard
PLC	Public Limited Company
PLM	Program Lifecycle Management
PoC	Product of Concern
PP	Performance Period
PWP	Pure-Water Plant
RAN	Royal Australian Navy
RAP	Reconciliation Action Plan
RIFR	Recordable-Injury Frequency Rate
ROU	Right of Use

RN	Royal Navy
SA	South Australia
SME	Subject Matter Expert
SMP	Submarine Maintenance Period
SQEP	Suitably Qualified and Experienced Personnel
SRF-West	Submarine Rotational Force – West
SSN	Ship Submersible Nuclear
SSP	Sovereign Submarine Partner
SSSP	Sovereign Submarine Sustainment Partner
SSTP	Sovereign Shipbuilding Talent Pool
STAC	Skills and Training Academy Campus
STSC	Submarine Training and Systems Centre
T	Tranche
TSC	Training Services Contract
TSIB	Trilateral Submarine Industry Base
UK	United Kingdom
US	United States
USN	United States Navy
VCS	Virginia Class Submarine
WA	Western Australia
WHSE	Work Health, Safety and Environment



Photo: Department of Defence



1

Company profile

Company profile

ASC is Australia's sovereign submarine company. Its skilled workforce offers a depth of submarine sustainment, design, project management, supply chain, build and engineering experience and expertise that is unequalled in Australia's defence industry.

ASC built the nation's Collins Class submarines (CCSMs), sustains them and is delivering the CCSM Life of Type Extension (LOTE). It has also been selected by the Commonwealth of Australia (CoA) to sustain and, with BAE Systems, jointly build conventionally armed, nuclear-powered submarines (SSNs – Ship Submersible Nuclear) in Australia; is driving the Australian industry and workforce capability uplift required to deliver the SSN programs; and plays a leading role in training Royal Australian Navy (RAN) submariners.

ASC is a Government Business Enterprise (GBE), as provided for under section 5(2)(a) of the *Public Governance, Performance and Accountability Rule 2014*, and a proprietary company registered under the *Corporations Act 2001*. It's owned by the CoA and represented by the Department of Finance (DoF), with the responsible Minister being the Minister for Finance, the Hon. Katy Gallagher.

The first Australian defence company to achieve global standard ISO 55001 certification for the management of complex physical assets, ASC employs over 3,300 permanent and contracted employees. While its people are primarily located in Osborne, South Australia (SA), and Henderson, Western Australia (WA), ASC now has over 200 employees training in the United States (US) at the Pearl Harbor Naval Shipyard (PHNSY) and more than a dozen embedded with BAE Systems at Barrow-in-Furness in the United Kingdom (UK).

History

Established in 1985, ASC executed a contract on 3 June 1987 to build six conventionally powered CCSMs – Australia's first sovereign-built submarine fleet. The first of the submarines was delivered in 1996 and the last in 2003.

In 1992, ASC commenced submariner training services for the RAN through the Submarine Training and Systems Centre (STSC) at HMAS *Stirling*, Garden Island, WA. ASC continues to perform this role today.

At the conclusion of the CCSM build in 2003, ASC was awarded the contract for the fleet's through-life support, maintenance and design upgrades, and in 2012 the In Service Support Contract (ISSC) for the submarines' ongoing sustainment and design enhancements.

In 2004, ASC established ASC Shipbuilding Pty Ltd to facilitate future business.

In 2005, following a competitive tender, the CoA selected ASC as the shipbuilder for the Hobart Class Air Warfare Destroyer (AWD) Program, as part of the AWD Alliance.

The first Hobart Class destroyer, HMAS *Hobart*, was delivered in 2017, providing the RAN its most advanced and complex warship. HMAS *Brisbane* followed in 2018 and HMAS *Sydney* in March 2020.

In June 2018, ASC Shipbuilding was announced as the shipbuilder for the RAN's Hunter Class Frigate Program (HCFP). Six months later, BAE Systems Australia Ltd acquired ASC Shipbuilding, and that entity now trades as BAE Systems Maritime Australia. ASC is not contracted to the HCFP.

In 2021, following the CoA's decision to cancel the Attack Class Submarine Program in favour of acquiring SSNs through the AUKUS trilateral

security partnership, ASC was contracted by the CoA to deliver the Sovereign Shipbuilding Talent Pool (SSTP) Program. The SSTP facilitated the retention and development of Australia's submarine workforce through to contract completion on 14 February 2025, after which its activities were transitioned into ongoing ASC workforce initiatives.

In 2022, ASC's implementation of the LOTE for all six CCSMs was confirmed. The LOTE project will extend each CCSM's operational life, with conditions-based scope to be determined by the Department of Defence (DoD) on a platform-by-platform basis.

LOTE planning and preparation is well underway, and First of Class (FoC) implementation commenced in mid-2026 on HMAS *Farncomb*.

AUKUS mandate

On 13 March 2023, the governments of Australia, the UK and US (partners in AUKUS) announced the Optimal Pathway as part of the AUKUS Pillar 1 plan to deliver Australia an enduring SSN capability. The Australian Submarine Agency (ASA) was established on 1 July 2023 to manage Australia's SSN capability, via the AUKUS partnership.

On 22 March 2024, the CoA announced that it had selected ASC as its Sovereign Submarine Sustainment Partner (SSSP) (for SSN sustainment) and one of two Sovereign Submarine Partners (SSPs) (for Australia's SSN-AUKUS build). This established ASC as the only industry organisation supporting all three Optimal Pathway phases and marked the beginning of a new era for the company.

Vision, Mission and Values

Vision

To be Australia's sovereign submarine builder and sustainer, as evidenced by our leadership and delivery in the submarine Enterprise.

Mission

Trusted by the CoA as its Sovereign Submarine Partner in submarine design, build and sustainment activities, whilst underpinning an Enterprise capable of delivering the Optimal Pathway.



Protect
We look out for one another and maintain a safe and secure workplace.



Respect
We value diverse perspectives, treating others considerately and professionally.



Integrity
We are always honest, thoughtful and accountable for our decisions.



Discipline
We follow proven processes to deliver on commitments to each other and our customer.



Excellence
We strive together to be the best we can be, now and in the future.

Figure 1: ASC Vision, Mission and Values.

In Phase 1, ASC is providing sustainment support for visiting and rotating US and UK submarines, including through Submarine Rotational Force – West (SRF-West, from 2027); in Phase 2, it will sustain Australia's sovereign Virginia Class submarines (VCSs, from the early 2030s); and in Phase 3 an incorporated Joint Venture (IJV) formed by ASC and fellow SSP BAE Systems will build Australia's SSN-AUKUS submarines. SSN-AUKUS construction will begin by the end of this decade, with the first submarine delivered to the RAN in the early 2040s; ASC will also sustain the future SSN-AUKUS fleet at HMAS *Stirling* and Henderson in WA.

While remaining focused on maintaining CCSM availability, ASC has evolved into a multi-platform company, driving the expansion of Australia's workforce capability and defence-industrial-base capacity that will underpin the Optimal Pathway's successful delivery.



Render: BAE Systems



2

Chair's Report



Chair's Report

On behalf of the ASC Board, I'm pleased to present the company's 2025-26 Annual Report.

Collins Class submarine availability for the RAN remained the focus for ASC throughout the reporting period. The company continued to work with its Australian Submarine Enterprise partners to deliver the Collins Class Sustainment Program's Enterprise Product of Concern (PoC) remediation plan, while undertaking scheduled deep, intermediate and alongside maintenance for submarines at Osborne (SA), Henderson and HMAS *Stirling* (both WA).

FoC Collins life-extension work also got underway at Osborne, with HMAS *Farncomb* arriving in late May 2026 to begin its LOTE Full-Cycle Docking (FCD). In line with CoA guidance, *Farncomb* is initially undergoing a conditions-based assessment, which will inform the scope of its life-extension works.

In preparation for its role in providing SSN sustainment support services for US and UK SSNs rotating through SRF-West from 2027, ASC continued to deploy personnel to the Pearl Harbor Naval Shipyard, Hawaii (US), for VCS sustainment training; at 30 June 2026, over 200 ASC employees were embedded there.

Meanwhile, 19 of ASC's Pearl Harbor deployees returned to WA to contribute to ASC supporting two Submarine Maintenance Periods (SMPs) for visiting US and UK SSNs at HMAS *Stirling* during the reporting period. The first was for the USS Vermont, a US Navy (USN) VCS, in late 2025, the second for HMS Anson, a Royal Navy (RN) Astute Class submarine, in early 2026.

Underpinning this operational activity, ASC took action to enhance its safety culture and performance, launching a 10-year Safety Roadmap. Nuclear-preparedness work also continued, with progress during the 2025-26 period in capability development, governance enhancement, regulatory readiness and cultural uplift initiatives.

On the workforce front, ASC continued its steep growth trajectory, taking on over 700 new personnel in the period, the highest intakes being in Engineering, Operations and corporate support functions.

In the SSN-AUKUS Build Program, ASC continued working with Build Partner BAE Systems to build capability, systems and processes ahead of the IJV's establishment. Most notably, several ASC personnel were embedded with BAE Systems in the UK for long-term training in SSN construction.

ASC's UK Entity, which supports ASC's UK embeds, achieved Full Operating Capability on 30 June 2026.

ASC returned a profit before tax, excluding equity-funded SSN capability development costs, of $53.8m and achieved all financial targets[1]. Annual revenue (from contracts, government grants and other income) was $1,209.1m (2024-25: $977.0m).

Significant strategic investment (funded through an Equity Funding Agreement (EFA)) was undertaken in accelerating workforce growth and capability development to support Australia's future SSN Program objectives. These investments represent shareholder-supported expenditure in Australia's sovereign defence capability and resilience, and are recognised as expenses in the company's statutory financial results.

1. The measure, 'profit before tax, excluding equity-funded SSN capability development costs' is categorised as non-IFRS (International Financial Reporting Standards) financial information provided to assist readers to better understand the financial performance of the business. Please refer to the table on page 103 for a reconciliation of this information to the financial report.

On this basis, ASC is reporting a statutory loss after tax of $41.8m and no financial year (FY) 2025-26 dividend has been declared.

This reporting period was characterised by great discipline and commitment from ASC's people. From Operations to leadership and corporate support, the company has delivered a reliable and efficient service to the RAN. On behalf of the ASC Board, I acknowledge and congratulate all for their efforts.



Jim McDowell AO
Chair




ASC



3

Chief Executive Officer's Report

Photo: Department of Defence



Chief Executive Officer's Report

I was appointed Acting CEO on 12th December 2025 as Stuart Whiley retired after a career spanning 35 years at ASC. The company's mission has never been more important supporting Australia's submarine fleet and building the capability to build and sustain SSNs under AUKUS. It is an honour to be entrusted with leading and growing Australia's precious capability of experienced submarine engineering and maintenance talent.

ASC delivered multi-platform activity and accelerated growth throughout the 2025-26 reporting period, while delivering on its mission to support Australia's maritime security.

Collins Class Submarine Program

In December 2024 the Minister for Defence Industry listed the CCSM Program as a PoC. Working closely with its Australian Submarine Enterprise partners, ASC continued to invest in PoC remediation uplifts to workforce training, processes, systems, tooling and facilities to improve maintenance productivity and CCSM availability as the company's highest priority throughout 2025-26.

ASC also progressed a CCSM FCD at Osborne, SA, while in WA the CCSM sustainment workforce completed a Mid-Cycle Docking (MCD) at ASC West, Henderson, and three Intermediate Maintenance Periods (in-water maintenance activities) at HMAS *Stirling*.

The CCSM LOTE team continued to mature ASC's capability to design and deliver complex submarine engineering throughout 2025-26. This was demonstrated through both the LOTE 1 and LOTE 2 Detailed Design Reviews being passed, and all actions closed, in September 2025 and May 2026 respectively. The period ended with HMAS *Farncomb* arriving at Osborne for its FoC life-extension works.

In line with Defence guidance, *Farncomb* will initially undergo a conditions-based assessment, and its life-extension scope will be tailored based on this assessment. It will also help to inform future life-extension work across the class.

Nuclear-Powered Submarine Program

ASC continued to support the ASA in delivery of the AUKUS Optimal Pathway, using the CCSM Program as the foundation to grow workforce, processes and systems in readiness for: providing sustainment support of US and UK submarines through SRF-West; sustaining Australian VCSs; and constructing the nation's SSN-AUKUS submarines with the company's Build Partner, BAE Systems.

Significant progress was made by growing ASC's permanent workforce from 2,627 to 3,340 over the financial period – an increase of 27% – and new facilities being secured to accommodate the workforce, training and workshops.

ASC grew its nuclear readiness in support of AUKUS Pillar 1, achieving key milestones under its *Nuclear Readiness Blueprint* and maintaining progress towards future capability requirements.

ASC also continued to mature its Nuclear Oversight function, supporting workforce development, industry engagement and preparations for SRF-West enablement; and the company advanced its nuclear safety, security and safeguards frameworks, supporting Australia's non-proliferation commitments and broader Nuclear-Powered Submarine (NPS) Enterprise objectives.

Over 200 ASC personnel are now training in the US at the PHNSY, and the first cohort have returned to Australia. In addition, a total of 17

people have been deployed to the BAE Systems shipyard in Barrow-in-Furness (UK), with two repatriated and 15 currently in situ.

ASC supported two successful SMPs at HMAS *Stirling*, for the USN's USS Vermont and the RN's HMS Anson. The company worked with Western Australian suppliers to deliver innovative packaged service capabilities for pure-water supply and high-pressure air.

As Australia's SSSP, ASC also contributed to critical national sustainment planning, while continuing to strengthen its sustainment workforce through targeted growth, training, competency tracking and employee support initiatives.

Preparations for the SSN-AUKUS build progressed well, with 100% of contracted milestones achieved on time with ASC's future IJV parter, BAE Systems. The joint team continued to work closely with ANI and the ASA to support the Nuclear-Powered Submarine Construction Yard's (NPSCY) development in Osborne (SA).

ASC recognises the need to build experience through collaboration and support from submarine companies in the UK and US, and was active in developing these capability partnerships in 2025-26.

Work Health, Safety and Environment

The safety of ASC's people and products is paramount. Independent benchmarking confirms that the company's safety performance is ranked in the top quartile of comparable organisations, despite operating in an environment that presents significant hazards requiring rigorous management and control.

To further strengthen ASC's safety culture and performance, the company launched a 10-year Safety Roadmap in 2025-26. The roadmap will guide ASC's efforts to continuously reduce risk and achieve its goal of zero harm across its workforce.

This reporting period was also the first for which ASC has produced a Sustainability Report (see page 44).

Industry uplift

ASC continued to build Australia's sustainable submarine industrial capability by helping five Australian suppliers qualify for the US VCS construction program through the Defence Industry Vendor Qualification Program (DIVQ). The company worked with its DIVQ In Country Qualification Team US partners, Electric Boat and Huntington Ingalls Industries Newport News, which are helping ASC prepare to lead DIVQ program delivery and the associated ongoing supplier surveillance and support.

ASC also advanced early SSN-AUKUS supply chain development and strategic partnerships, helping to prepare Australian industry to support the long-term delivery of Australia's NPS Enterprise.

Transformation

The CCSM life extension and AUKUS programs are driving significant growth. ASC's workforce, systems, processes and facilities need to scale and modernise to meet future demand. ASC continued to advance its transformation agenda in 2025-26, completing the Detailed Design phase of Tranche 2 (T2) of its Digital Transformation Program (DTP) and launching workforce, finance, corporate process, and data and reporting transformation initiatives. Together, these programs will strengthen the company's organisational capability, improve efficiency and scalability, and support long-term growth.

Conclusion

ASC's submarine-experienced personnel, with deep knowledge of submarine design and the systems and processes that support Australia's submarine capability, are a precious asset. They underpin the company's proven history of solving the most complex program challenges. I am proud to lead this amazing team as we take on Australia's most complex industrial undertaking, and thank all for their continued enthusiasm and dedication to our mission.



Alex Walsh
Chief Executive Officer





4

Multi-Class Sustainment

Photo: Department of Defence

Multi-Class Sustainment

ASC's MCS Program is responsible for ongoing CCSM sustainment, including the LOTE; providing support to visiting and forward rotating US and UK SSNs at HMAS *Stirling*; and sustaining Australia's SSNs – VCSs (from the early 2030s) and the new SSN-AUKUS (from the early 2040s).

Integrated across ASC's SA and WA sites, MCS optimises ASC's specialist sustainment capabilities across all submarine classes to achieve 'best for Enterprise' outcomes.

Collins Class Submarine Program

ASC is responsible for CCSM sustainment, maintenance, upgrade and update activities, platform systems integration, design, engineering and supply chain management services through the ISSC.

On 1 July 2025, ASC entered the second of four years of Performance Period Five (PP5) under the ISSC. The CCSM Sustainment Program remained on the Minister for Defence Industry's PoC list throughout FY 2025-26, and ASC continued to work closely with its Australian Submarine Enterprise partners to deliver the Enterprise PoC remediation plan. Some elements of the plan were completed, while additional initiatives were added in other areas.

Major activity at ASC North, Osborne (SA) during the reporting period included:

- the sixth two-year CCSM FCD, which remained ongoing at 30 June 2026; and
- the arrival of HMAS *Farncomb* in late May 2026, for the seventh CCSM FCD and first CCSM life-extension works.

In WA, major activity included:

- a CCSM MCD at ASC West; and
- three CCSM IMPs at HMAS *Stirling*.

In parallel to all these activities, ASC continued to support the CCSM fleet through Operational Period Maintenance activities, with personnel deployed to operational CCSMs domestically and internationally.

Life of Type Extension

The LOTE project, together with ongoing sustainment, will enable the RAN's CCSMs to continue operating effectively beyond their original withdrawal date, ensuring Australia retains a potent, conventionally powered submarine capability.

Through the LOTE project, ASC will execute a scope of work in support of the CoA that aims to:

- address major risks to CCSM availability which have been identified to potentially occur during the submarine life-extension period; and
- install significant updates being developed by ASC to meet CoA requirements.

HMAS *Farncomb*'s FoC life extension commenced in late May 2026. The scope for this work will be informed by a conditions-based determination.

Other major LOTE-related work during the 2025-26 reporting period included:

- completing Detailed Design Reviews for the integration of the major system upgrades;
- supporting the Australian Submarine Enterprise with planning project implementation stages; and
- commencing design work for the second CCSM life extension, to get underway in mid-2028.

ASC will continue to maximise Australian industry participation as the LOTE project progresses.

Submariner training

ASC provides submariner training services to the RAN's Training Authority – Submarines based at the STSC, HMAS *Stirling*, Garden Island, WA. While submarine system operation and maintenance training for CCSM crew is the focus, ASC also delivers familiarisation training to Australian Submarine Enterprise participants. Forty-eight ASC staff are employed at the STSC, including instructors, training developers, learning technology specialists, maintenance personnel and administrative support staff.

Among its achievements in 2025-26, ASC:

- provided initial training to new RAN submariner candidates;
- provided career and operational training to over 400 current submarine crew;
- developed or upgraded 34 crew training courses;
- commenced development of training for the SEA1450 Life of Type Extension project;
- continued development of the innovative 'Boat 7' virtual Collins Class platform – five new operating procedures were added to facilitate realistic training ashore, while a new wharf-side mode integrates digital and physical training scenarios to practise emergency responses alongside; and
- delivered general and technical submarine familiarisation training to over 580 Australian Submarine Enterprise staff across three states.

Nuclear-Powered Submarine Sustainment

Australia's SSN Sustainment Program is being rolled out in three phases, in line with the CoA's Optimal Pathway for Australia's acquisition of SSNs:

- **Phase 1:** Sustainment support for visiting US and UK SSNs – and from 2027 a rotational US and UK presence (SRF-West) at HMAS *Stirling*.
- **Phase 2:** Sustainment of Australia's sovereign US-built VCSs (a minimum of three, and up to five) from the early 2030s.
- **Phase 3:** Sustainment of Australia's sovereign-built SSN-AUKUS Class submarines from the early 2040s.

Key 2025-26 activities

Ongoing support to visiting SSNs

ASC supported two SMPs for visiting US and UK SSNs at HMAS *Stirling* during the reporting period.

1. **USN VCS USS Vermont, October and November 2025.**
   This SMP involved the design, manufacture and provision of a range of temporary wharf services, including a novel pure-water plant (PWP) developed by ASC, MakWater and Diverse Welding Solutions. This represented a paradigm shift for trilateral partners in the reliability, portability and affordability of a critical wharf-side service to nuclear-powered submarines.

2. **RN Astute Class HMS Anson, February and March 2026.**
   In this SMP, ASC deployed a novel high-pressure air compressor (HPAC)/ high-pressure air dryer (HPAD) unit, co-developed with Australian Safety Engineers to recharge fire-fighting air breathing bottles.

Following the PWP and HPAC/HPAD units' successful use in these SMPs, the USN placed an order for two of each to be deployed in 2026-27.

Contributing to ASA VCS sustainment working and steering groups

As Australia's SSSP, ASC made significant contributions to ASA working and steering groups in support of all phases of VCS sustainment in Australia.

The ASA has continued to draw on ASC's experience as the nation's CCSM sustainer to shape its processes and plans for the development and delivery of VCS sustainment capability, through delivery and ongoing updates to the SSN Support System Plan and other key plans as contract deliverables.

ASC also undertook significant MCS workforce capability development activity during 2025-26. See *Workforce capability development*, page 69.

US Entity

The purpose of ASC's US Entity is to provide support and administration for ASC employees embedded in the PHNSY for VCS sustainment training. It also supports family members accompanying personnel in Hawaii. The entity was established in April 2024.

ASC executed the lease agreement for a US office at the Honolulu Airport Industrial Park in December 2025 and fit-out activities were ongoing at the end of the reporting period.





5

SSN-AUKUS Build

Render: BAE Systems

SSN-AUKUS Build

During 2025-26, ASC continued to collaborate with fellow SSP BAE Systems to lay the foundations for the SSN-AUKUS Build Program and the IJV that will ultimately deliver the submarines at the NPSCY in Osborne, SA.

In late 2024, ASC and BAE Systems signed two deeds with the CoA. Collectively, these documents confirmed agreed program objectives and the terms and conditions under which build preparation activities would be undertaken.

During 2025, ASC and BAE Systems agreed with the ASA to extend the performance periods in their respective SSN-AUKUS Build Program Tasking Statements until the end of September 2026, with plans to undertake a final extension for another 18 months.

Activities identified in ASC's Tasking Statement include:

- developing plans for the IJV's establishment and implementation;
- developing Build Contract plans, including for program management and integration, build readiness and capability, and function establishment;
- undertaking risk reduction activities, including activities relating to the development and commissioning of infrastructure, the establishment of production processes and systems, and prototyping preparation;
- developing the Australian submarine workforce; and
- establishing regulatory and compliance arrangements.

ASC leased an office space for its SSN-AUKUS Build team within the Adelaide central business district during 2025-26. The space is on track for occupancy in the first half of 2027 (calendar year).

Significant workforce capability development activity also took place. See Workforce capability development, page 69.

UK Entity

ASC's UK Entity, Australian Submarine Corporation Limited, provides valuable support to ASC's SSN-AUKUS Build Program.

Its primary purpose is to facilitate personnel placements within UK industry organisations to support the development of suitably qualified and experienced personnel (SQEP) for Australia's sovereign industrial workforce.

Maintaining a minimal presence, the entity also:

- fulfills ASC's duty of care to those seconded personnel (embeds);
- establishes and maintains relationships with key regional AUKUS participants and suppliers to enhance collaboration; and
- provides specialist, locally informed advice to ASC in relation to the UK Submarine Enterprise to minimise AUKUS program risk.

The entity achieved Full Operating Capability on 30 June 2026, having established effective support arrangements for assignees, set up ASC's UK office and progressed its security licence application, and completed inaugural submissions to relevant UK authorities.



6

Strategy and Transformation

Strategy and Transformation

Strategy

ASC undertook a strategy refresh during FY 2025-26. Building on the Strategic Framework developed in 2024-25, ASC further matured its identification of key interdependencies, capability requirements and program milestones across the Optimal Pathway timeline. The framework now guides an increasingly sophisticated forward-planning model that underpins ASC's mission to optimise sovereign submarine availability across the entire lifecycle (see Figure 2).

Introducing the 'ASC 8'

ASC's Strategic Framework was enhanced during the reporting period through the evolution of the four previously identified strategic pillars (Operational Excellence; Transformation; Capability Leadership; and Enterprise Leadership) into eight key strategic priorities, to be known as the 'ASC 8'. The ASC 8 includes three programs:

1. CCSM and LOTE.
2. SRF-West and SSN Sustainment.
3. SSN-AUKUS Build.

And five key capability uplift areas:

4. Workforce Growth and Meaningful Work.
5. Industry and Innovation.
6. Nuclear and Licence to Operate.
7. Transform and Scale.
8. Facilities and Infrastructure.

This change describes more directly ASC's existing Optimal Pathway roles and responsibilities as the CoA's SSSP and an SSP. The ASC 8 provides a framing structure that simplifies the company's business planning and is aligned with its operating model.

Investment was made in the Strategy business unit, bolstering execution planning, analysis and enterprise portfolio management to support ASC's evolving strategic requirements.

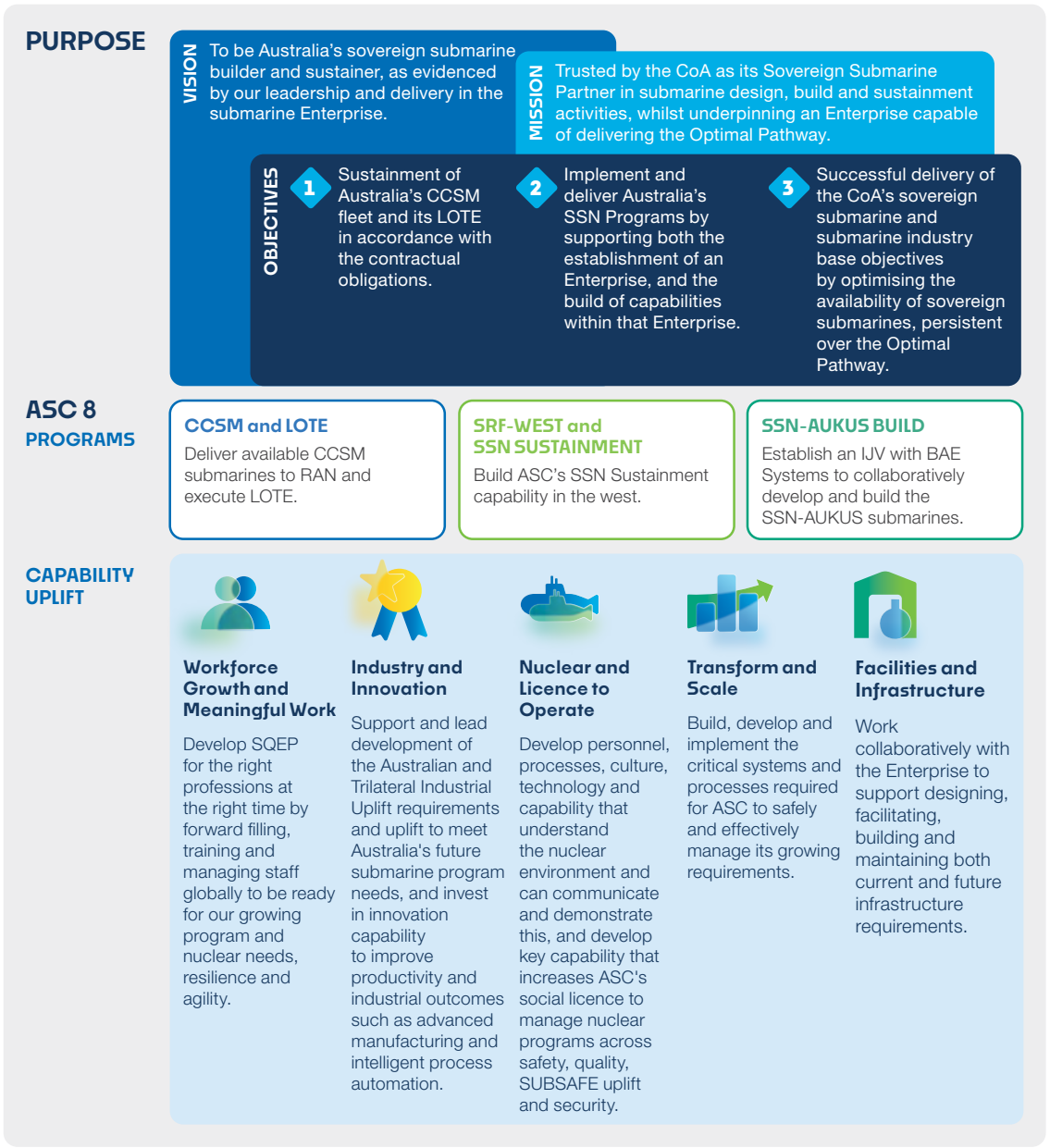


Figure 2: ASC's Strategic Framework.

Transformation

ASC continued to deliver a significant transformation agenda in 2025-26, with key milestones including:

- completing the Detailed Design phase of T2 of the DTP;
- commencing a Workforce Transformation Program, focused on transforming the end-to-end employee value chain;
- commencing a Finance Transformation Program, to redesign internal funding processes and mechanisms to facilitate the organisation's need to scale; and
- commencing Corporate Processes and Data and Reporting Transformation programs, to enhance these functions' efficiency and clarity.

Digital Transformation Program

ASC's DTP is focused on enabling the company's digital shipyard transition through enhanced systems integration, streamlined processes and expanded real-time data access using cutting-edge technology. The program is increasing performance and reliability, enabling more comprehensive knowledge retention and enhancing ASC's ability to support the Australian Submarine Enterprise.

In 2025-26, DTP T2 progressed with design approval of the company's new Program Lifecycle Management (PLM) tool to support the CCSM Program. This involved the development of detailed designs for all in-scope business processes and functionality in the new system, and ensuring the technology will support ASC's engineering processes and enhance productivity and reliability.

The period ended with approval to proceed into the Build/Implementation Phase. The program is on track for the PLM's first release in 2026-27, with a second release planned for 2027-28.

Workforce Transformation Program

To support ASC's scaling and workforce growth, the company transitioned a range of existing and new initiatives into a Workforce Transformation Program in 2025-26.

Designed to transform ASC's hire-to-retire lifecycle, the program incorporates updated systems and processes that enable workforce transition, skills development and future growth, and facilitate delivery of the company's Strategic Workforce Plan.

A major project within this program is the development and implementation of a new Human Resources Information System. Planning and preliminary design for this commenced in 2025-26, with initial implementation targeted for FY 2027-28.

Finance Transformation Program

To enhance its internal funding-allocation approach, ASC commenced a Finance Transformation Program in 2025-26, incorporating financial planning, budget allocation and approval, and management reporting. Completion is anticipated in FY 2026-27.

Corporate Processes Transformation Program

To strengthen ASC's ability to scale and operate effectively in a multi-program, multi-class environment, the organisation embarked on a program in 2025-26 to transform key corporate and cross-functional processes.

The Corporate Processes Transformation Program is using a recognised business process framework to ensure that ASC's future ways of working are fit for purpose and enable delivery of the nation's submarine programs. An initial Discovery phase was launched to prioritise implementation areas and establish a delivery timeline, with improvements expected to be seen from FY 2026-27.


ASC
ASC

Data and Reporting Transformation Program

ASC established a Data and Reporting Transformation Program in 2025-26 to enable consistent, strategic-level performance reporting, supported by data governance practices that enable more effective performance measurement, decision-making and continuous improvement. As with the Corporate Processes Transformation Program, an initial Discovery phase was launched to prioritise key areas of focus and this was ongoing at the end of the reporting period.

Enterprise Portfolio Management

As a fast-growing organisation delivering multiple programs and capability uplift agendas, ASC must balance many priorities across its operations. The company's Enterprise Portfolio Committee oversees this task, being responsible for determining ASC's sequence of, and approach to, work organisation-wide to ensure its broad range of strategic objectives are achieved.

To support the committee, ASC established a dedicated Enterprise Portfolio Management Office (EPMO) in 2025-26. The EPMO will:

- provide senior leadership with visibility of all initiatives in the organisation to enable improved management of complex interdependencies;
- provide timely, high-level information to support senior leaders' decision-making in relation to executing organisational strategy;
- track key business outcomes at the portfolio level to enhance proactive management;
- enable an enhanced strategic approach to undertaking initiatives that work on, as well as in, the business, through a clear investment and prioritisation framework; and
- provide visibility of the level of change occurring, and planned, across the organisation as it scales, enabling a comprehensive and integrated approach to managing that change.



7

Nuclear preparedness

Render: BAE Systems

Nuclear preparedness

ASC continued to strengthen its nuclear preparedness during 2025-26 in support of the AUKUS Pillar 1 Optimal Pathway through capability development, governance enhancement, regulatory readiness and cultural uplift initiatives.

ASC successfully achieved Major Control Point 1 (MCP1) under its *Nuclear Readiness Blueprint* and conducted a readiness review of the next major milestone (MCP2A), providing assurance that the company remains on track to achieve future nuclear milestones.

ASC's Nuclear Oversight function continued to mature, supporting NPS Enterprise-wide peer reviews, workforce development and community engagement activities. Nuclear Oversight also provided direct support to the CoA through the development of enabling documentation and preparations for commissioning activities associated with SRF-West enablement.

The new Australian Naval Nuclear Power Safety Regulator stood up during the period and an initial tranche of regulations was released, allowing ASC to further progress its regulatory and safety frameworks, including development of its Nuclear Safety Management System (NSMS).

ASC also continued to strengthen its nuclear security and safeguards arrangements, supporting Australia's non-proliferation commitments and broader NPS Enterprise objectives.

Key 2025-26 activities

Nuclear capability

ASC continued to grow and develop its SQEP through targeted recruitment, tertiary education, and direct training at the Australian Nuclear Science and Technology Organisation, PHNSY (US) and BAE Systems' Barrow-in-Furness manufacturing facility (UK).

Nuclear awareness

ASC continued to deliver its nuclear awareness program to uplift general nuclear knowledge and understanding. This again included broad educational sessions, specific small-group information and business-wide activities. The program dealt with a variety of topics, including nuclear basics, fission vs fusion, how nuclear propulsion works, social licence and First Nations engagement.

Nuclear uplift

Building on previous cultural reviews, ASC continued to evolve its culture to operate in a nuclear environment. This was achieved through its nuclear awareness program and aligning the company's existing PRIDE values (Protect, Respect, Integrity, Discipline and Excellence) with the ASA's Nuclear Mindset Principles (see Figure 3). Action plans from the cultural reviews were implemented and continue to be tracked and monitored.

Social licence and community

Delivering ASC's SSN-AUKUS responsibilities requires a strong social licence, built through transparent community engagement and a commitment to technical excellence. During 2025-26, ASC partnered with SSN-AUKUS Build Program partner BAE Systems and the ASA to engage with the local community and key stakeholders, including the South Australian Government's Office for AUKUS, Australian Naval Infrastructure (ANI) and Port Adelaide Enfield Council.

See Social licence, page 67, for further information.



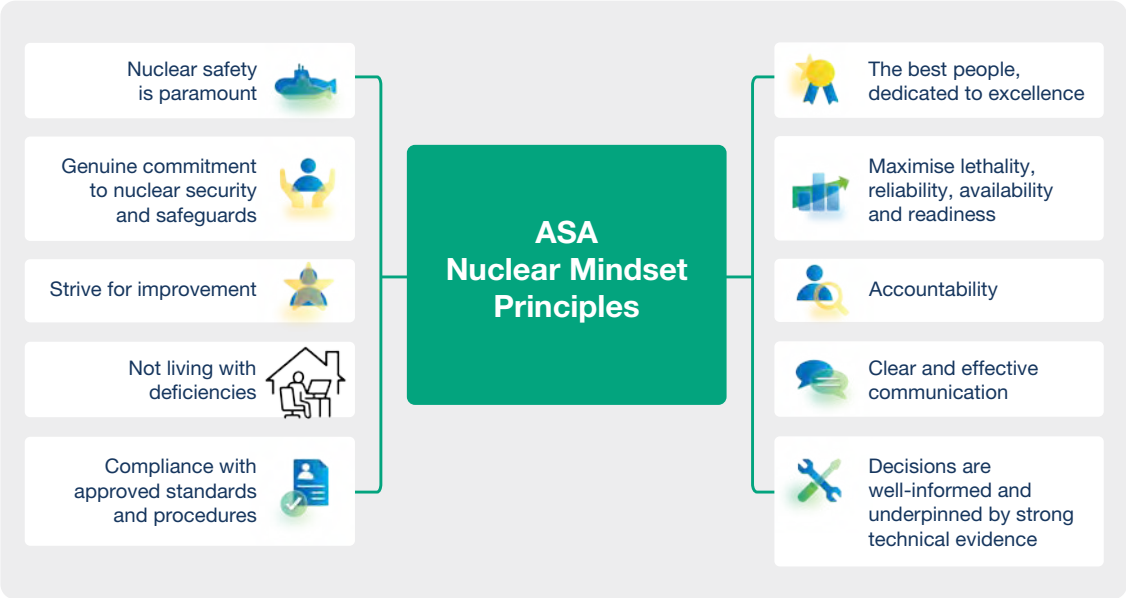


Figure 3: ASA Nuclear Mindset Principles.

Management arrangements

ASC continued to mature its nuclear management arrangements during 2025-26 through the collaborative development of an NSMS with relevant NPS Enterprise partners. The NSMS initiative supports a consistent and integrated approach to nuclear safety and workforce mobility across the Enterprise as SSN programs evolve.

ASC also strengthened its internal nuclear governance framework, including the establishment of an ASC Nuclear Safety Panel comprising external independent members with significant nuclear industry expertise. During the reporting period, the panel convened to review key nuclear safety documentation and provide independent advice and challenge, supporting robust decision-making and the continued development of ASC's nuclear safety capability and organisational readiness.

Operational enablement

During 2025-26, ASC continued to support the enablement of Australian operations associated with visits by UK and US SSNs to WA under the AUKUS Pillar 1 Optimal Pathway. Working closely with CoA and relevant NPS Enterprise partners, ASC contributed to the development and implementation of the infrastructure, governance, safety and operational arrangements necessary to support these activities.

A key focus during the reporting period was the increasing involvement of Australian personnel in the planning, preparation and delivery of critical support functions. This progressive transfer of responsibility is enhancing sovereign capability, developing Australia's nuclear stewardship credentials and supporting the transition to a sustainable Australian-led operating model as the Optimal Pathway matures.



8

Integrated supply chain capability

Integrated supply chain capability

In March 2025, the ASA released Australia's AUKUS Submarine Industry Strategy. The strategy reiterated ASC's role as an SSP with a primary role to 'coordinate and contract with suppliers, directly developing, growing, shaping and maintaining the health of their respective program supply chains' in both the Australian and trilateral submarine industrial bases (ASIB and TSIB respectively).

The ASA strategy outlined the SSPs' responsibility to:

- translate the CoA's strategic priorities into clear demand forecasts and industry requirements for each Australian submarine program;
- develop and manage their supply chains, and monitor and maintain their health over time;
- coordinate and contract with Australian suppliers seeking to supply into AUKUS submarine programs, working closely with UK and US Primes; and
- develop Australian industry capability plans detailing how the CoA's strategic priorities for the ASIB will be satisfied.

To meet ASC's and wider Australian Submarine Enterprise requirements in uplifting the ASIB and TSIB, ASC lifted its central supply function into a Supply Chain Capability Program in the latter part of 2024-25. This program is now stewarding delivery of ASC's Supply Chain Strategy.

Key AUKUS industry uplift activity

Understanding supply chain demand for VCS, MCS and SSN-AUKUS Build

ASC continued to work with the ASA and the wider ASIB and TSIB in 2025-26 to determine long-term demand requirements across all programs.

Initial USN demand through the ASA has been focused on supporting the US VCS construction supply chain. This has been done through the ASA's DIVQ program, launched in January 2024, which streamlines and accelerates the qualification of Australian companies to provide components and services into the VCS construction program.

The DIVQ program for VCS construction is targeting qualification across six 'waves' of product families, using a government-to-government model for waves one and two and a business-to-business model from wave three onwards. Five Australian suppliers gained qualification through DIVQ during 2025-26, with dozens more at varying stages of the process at the period's end.

ASC was also given access to VCS sustainment demand data during the reporting period. This enabled the company to develop a pilot program to qualify Australian suppliers for various VCS sustainment parts and services, as an expansion of DIVQ. The VCS sustainment pilot commenced in late 2025 and operated successfully for the remainder of the reporting period, led by ASC and conducted in collaboration with the ASA and NAVSEA (Naval Sea Systems Command, US).

The DIVQ program is foundational for developing Australia's submarine sustainment industrial base, and will be leveraged as appropriate by the SSN-AUKUS Build Program. Supply chain demand for the SSN-AUKUS is in the early stages of definition (see section below).

Australian industry engagement to uplift the ASIB

Throughout 2025-26, ASC's Australian Industry Capability team played a central role in strengthening relationships with Australian industry and supporting ASC's commitment to sovereign capability. The team supported all aspects of industry engagement, including supplier visits, industry forums, networking events, and major defence industry exhibitions. This provided valuable opportunities to connect with existing and prospective suppliers, showcase future opportunities and better understand Australian industry's capabilities and challenges.

Early SSN-AUKUS industry uplift activities

The ASC and BAE Systems supply chain teams have continued to collaborate with the ASA to identify early opportunities for Australian industry to participate in the design (where possible) and/or supply of critical SSN-AUKUS products or systems, either directly or in sub-tier supply chains.

As the submarine's design matures, ASC and BAE Systems are jointly developing and communicating a phased procurement demand profile, including forecast volumes, timing, and capability requirements, to provide industry with greater certainty and support business case development, strategic planning, and investment decisions.

In early 2026, the joint SSN-AUKUS build partners began a cadence of regular communication to inform Australian industry regarding program status, how and where to get involved, opportunities to participate, as well as facilitating supply chain connections and networking. This activity kicked off with the SSN-AUKUS Inaugural National Supply Chain conference in March 2026 and will include a national Roadshow series, to be delivered throughout the remainder of 2026 and into 2027.

Enhancing ASC's strategic capability partnerships

ASC continued work to establish a panel of strategic partners to enhance its capabilities as Australia's SSSP. The panel includes:

- **Tier 1:** Platform builders, sustainers, and original equipment manufacturers.
- **Tier 2:** Specialist advisory agencies.
- **Tier 3:** Professional services.

It will support ASC's capability uplift in key areas such as:

- nuclear stewardship and systems advisory;
- SSN sustainment;
- planning yard support for SRF-West;
- depot-level maintenance development;
- supply chain uplift and qualification;
- security enhancement;
- technology transfer; and
- workforce planning and capability development.

Collins Class supply chain activity

The global supply chain remained resilient during 2025-26, although uncertainty continued due to the conflicts in Ukraine and the Middle East, disruption to key maritime trade routes, and changes to US tariff settings. These risks were monitored closely, and for ASC's CCSM supply chain their effects were contained; ASC continued to strengthen supply-chain resilience and secure access to critical goods and specialist sustainment services.

ASC also continued to strengthen supplier-performance oversight and manage supply risks associated with long lead times, obsolescence and availability.

Modern slavery

ASC submitted its 2024-25 Modern Slavery Statement as required by the *Modern Slavery Act 2018* and it was approved and published by the Australian Border Force on 23 February 2026.

The document charted ASC's progress in executing its three-year modern slavery risk management implementation plan (2023-25) and how the company has contributed to Australia's broader strategy to combat modern slavery in supply chains.

ASC's 2024-25 Modern Slavery Statement is downloadable from the company's website: asc.com.au/about-asc/company-reports





9

Work Health, Safety and Environment

Work Health, Safety and Environment

ASC continued to mature its Work Health, Safety and Environment (WHSE) strategy during 2025-26, with a stronger focus on visible leadership, critical risk assurance, data-led insight and practical controls verification at the work-front.

Key 2025-26 WHS activities

- Embedded mature dashboard data to identify recurring exposure themes and inform prevention activity.
- Delivered multiple targeted safety-awareness campaigns.
- Commenced 'WHS for Supervisors' training and strengthened frontline capability in reporting, MyOSH use and WHS conversations.
- Produced a dedicated Psychosocial Hazard and Risk Management procedure and prepared broader awareness-raising, training and capability activity.
- Piloted a 'Stretch Leaders' program to support musculoskeletal injury prevention in production work groups.

International entity establishment

ASC supported an expanding and geographically diverse delivery across its international operating environments in 2025-26, through consistent WHSE assurance, and clearer action ownership and control verification across sites, teams and contractor interfaces. This provided a strong platform for supporting a broader operational footprint going forward.

Safety statistics

ASC has produced significant reductions in its reportable-injury frequency rate (RIFR) (63%), lost-time-injury frequency rate (LTIFR) (46%) and medically-treated-injury frequency rate (MTIFR) (73%) since the 2020-21 reporting period (see Figure 4)*.

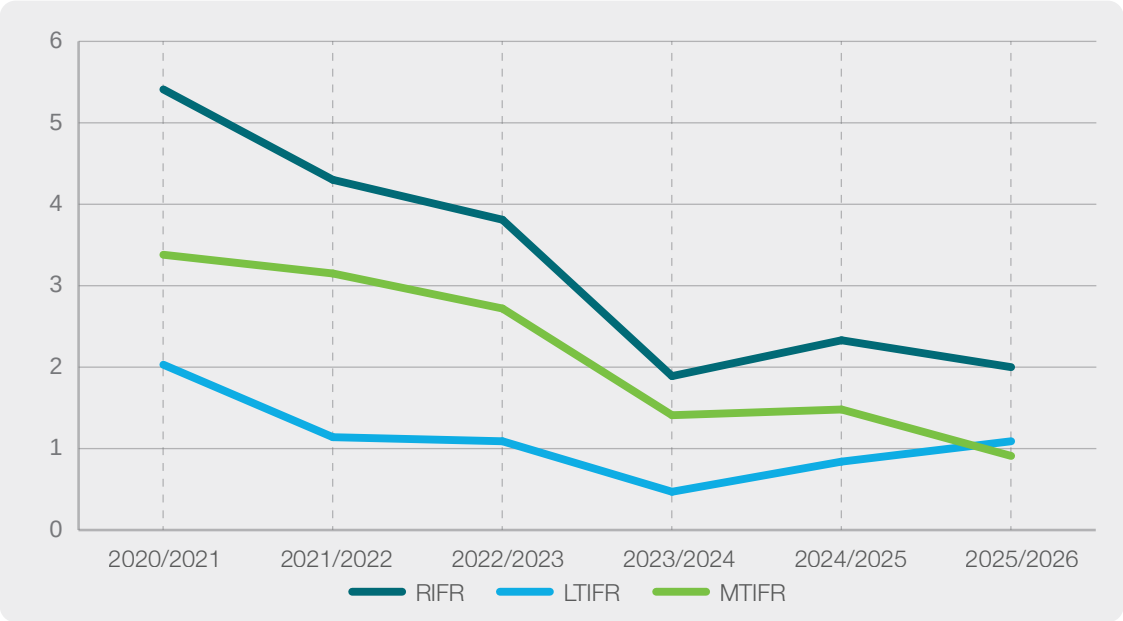


Figure 4: ASC WHS notifiable incidents from 2020-21 to 2025-26.

RIFR = number of LTIs plus MTIs per 1,000,000 hours worked, expressed as a 12-month rolling average.

LTIFR = number of LTIs x 1,000,000 divided by hours worked per month, expressed as a 12-month rolling average.

MTIFR = number of MTIs x 1,000,000 divided by hours worked per month, expressed as a 12-month rolling average.

**Note that some historical notifiable incident figures shown in Figure 4 may differ slightly from those previously reported, due to corrections in total hours worked.*

Injury frequency performance

ASC used deeper insights into production exposure, injury mechanisms and control activity to better understand injury trends. This approach supports targeted prevention in routine work design, access and egress, hand placement, manual handling, pinch-point management and pre-task verification.



MTI performance improved through the reporting year and achieved the company's target (moving towards zero harm).

The year-end RIFR also achieved the company's target (sustained improvement), supported by improved MTIFR performance and a more mature approach to analysing operational exposure.

Safety Roadmap

To continue enhancing its WHSE performance as the company grows, ASC developed a 10-year Safety Roadmap in 2025-26. A key component of this was creating a Safety Uplift Program to be delivered in FY 2026-27, focusing on:

- further improving safety practices in relation to critical risks;
- enhancing the company's approach to safety leadership; and
- uplifting ASC's WHSE system and training to improve engagement and useability.

Proactive reporting and assurance

ASC strengthened its proactive reporting and assurance profile during 2025-26. WHS leadership interactions increased late in the year, while critical control observations and verifications exceeded targets in the second half, giving the business stronger visibility of how critical controls were applied in practice.

Critical risk and control, corrective action

ASC improved visibility of safety-critical risk across confined space, hazardous substances, electrical safety, fire and explosion, uncontrolled release of energy, lifting and vehicle/mobile plant activities.

Targeted leadership verification and critical control assurance supported reliable controls at the point of work; and corrective action governance continued to mature through clearer use of risk-based prioritisation.

Environmental performance

In 2025-26, ASC continued to improve its Environmental Management System and performance in line with stakeholder expectations and regulatory requirements.

Key environmental achievements

- Completed climate risk assessment and scenario analysis to identify and manage material physical risks associated with climate change and the transition to a low-carbon economy.
- Implemented the ASC Environmental Policy and Environmental Management Framework to further align with best-practice principles.
- Engaged with AUKUS program stakeholders to formalise environmental controls required to support SSN sustainment activities and the SSN-AUKUS Build Program.
- Expanded internal capability by embedding dedicated Environmental Specialists within ASC North and ASC West.

Greenhouse gas (GHG) emissions and climate-related disclosures are included in the Sustainability Report (from page 44).

Environmental incidents

ASC recorded no externally notifiable environmental incidents during the reporting period.



10

Sustainability Report

Sustainability Report

For the year ended 30 June 2026.

Delivering sovereign capability in a changing climate

ASC's inaugural Sustainability Report presents climate-related financial disclosures for the year ended 30 June 2026 in accordance with Australian Accounting Standards Board (AASB) S2 Climate-related Disclosures. Climate change presents risks and opportunities that can influence the long-term sovereign capability of ASC's workforce, operations, facilities and supply chain.

During FY 2025-26, ASC's focus on sustainability and strategic planning delivered the following outcomes (Table 1).

Key focus	Outcomes
Climate governance	Embedded across Board, committees, Executive and risk management processes.
Climate risk assessments and scenario analysis	Risk assessments completed and analysed across three alternate climate scenarios.
Climate resilience	ASC 8 strategy development was informed by the risk-assessed climate scenarios.
Net Zero commitment	Scope 1 and 2 Net Zero by 2050 formally approved and adopted.
Interim emissions targets set	43% reduction by 2030 and 62-70% reduction by 2035.
Financial impacts	No material climate-related financial impacts identified during 2025-26.
Strategic focus	Decarbonisation, strengthening organisational resilience and infrastructure readiness.

Table 1: ASC's key focus areas and outcomes.

This report sets ASC's baseline of AASB S2 disclosures. It also outlines how the company's strategy identifies priorities for continued improvement in climate data, analysis and reporting capability, and how its business model takes key stakeholders' targets into account (given they are intrinsically linked to ASC's ability to implement its own climate-related improvements).

Basis of preparation

The information contained within this report covers the reporting period 1 July 2025 to 30 June 2026 and presents climate-related financial disclosures in accordance with AASB S2 Climate-related Disclosures and the *Corporations Act 2001*. This section should be read in conjunction with ASC's consolidated Financial Report and other corporate reporting artefacts for the same period.

Unless otherwise stated, disclosures relate to operations within ASC's operational-control boundary. This report includes information derived from internal systems, financial records and external sources, and uses estimates and assumptions where necessary. Climate-related information is considered material where its omission, misstatement or obscuration could reasonably be expected to influence investor, lender or creditor decisions.

In accordance with AASB S2 transition relief provisions (AASB S2 Appendix C), ASC has not disclosed Scope 3 GHG emissions in this reporting period, nor comparative information for prior corresponding periods.

Climate-related information, including in relation to GHG emissions, has been prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004) (GHG Protocol), using emissions factors from National Greenhouse Accounts Factors, 2025 (NGA Factors), and other relevant external data sets. This represents a transition from the prior reporting period, in which emissions were disclosed in accordance with the Commonwealth Climate Disclosure (CCD) Framework. The CCD Emissions Inventory is not disclosed in this Sustainability Report, or the broader Annual Report; however, this information is submitted to the DoF and available on the Australian Government's Transparency Portal.



Climate governance in action

Climate governance framework

ASC's climate governance framework provides oversight and accountability for climate-related risks and initiatives, and supports their integration into strategy, risk management, decision-making and reporting (Table 2).

<table>
<tr><td rowspan="2">BOARD</td><td colspan="3">ASC Board

The Board oversees sustainability performance, targets, climate-related risks, strategic climate initiatives and disclosures. The Board approves climate-related targets, strategy and receives periodic reporting on performance and implementation activities. When considering decisions, the Board seeks to understand ASC's engagement with stakeholders and evaluates trade-offs between short-term financial performance and long-term climate resilience, including potential impacts on risks, financial returns, costs and stakeholder expectations. Responsibilities are set out in the Board Charter. The Board assesses its collective skills, experience and competencies annually through Board performance and succession planning processes. Its significant climate-related actions during 2025-26 included:

• September 2025: Published Board Charter to incorporate climate-related risks and opportunities.

• March 2026: Approved ASC's commitment to Net Zero 2050 (and interim targets).

• March 2026: Approved ASC's offset business travel emissions (flights only).</td></tr>
<tr><td>Business Assurance and Security Committee (BASC)

The BASC oversees the management of material business risks, including climate-related risks, and ensures adequate systems are in place for their effective management.

• September 2025: Published BASC Charter to incorporate climate risks and responsibilities.</td><td>Audit Committee

The Audit Committee oversees ASC's assurance framework, including climate-related disclosures.

• August 2025: Reviewed Sustainability Report Gap Analysis.

• June 2026: Reviewed findings from sustainability reporting pre-assurance activities.</td><td>Human Resources and Remuneration Committee (HRRC)

The HRRC oversees company remuneration and performance frameworks, including executive remuneration. Climate-related performance is not currently linked to executive remuneration.</td></tr>
<tr><td>CEO</td><td colspan="3">Chief Executive Officer (CEO)

The CEO is accountable for implementing Board-approved strategy and ensuring climate-related risks and strategic initiatives are considered in corporate planning, decision-making and risk management processes.</td></tr>
<tr><td rowspan="2">EXECUTIVE</td><td colspan="3">Executive Committee (ExCo)

ExCo oversees implementation of climate-related strategy, targets and initiatives and endorses material matters for Board consideration.

• March 2026: Endorsed Net Zero 2050, interim emissions targets and decarbonisation initiatives roadmap.

• March 2026: Endorsed decision to offset business travel emissions (flights only).</td></tr>
<tr><td colspan="3">Executive Risk Management Committee (ERMC)

The ERMC oversees implementation of ASC's Risk Management Framework (RMF), including the identification, assessment, monitoring and escalation of climate-related risks and strategic initiatives. Material risks are escalated through ExCo to the BASC where required.

• Quarterly reporting on climate-related risks and initiatives.</td></tr>
</table>

Table 2: Climate governance framework.

Management responsibilities

Climate-related responsibilities are incorporated into existing management accountabilities (Table 3). Relevant personnel support climate-related risk management, reporting, target delivery and disclosure obligations.

Management role	Key climate-related responsibilities and 2025-26 actions
Chief Finance and Commercial Officer	Accountable for reviewing and endorsing climate-related targets, methodologies, emissions reporting and sustainability disclosures prior to escalation through governance channels.
Chief Nuclear Officer	Accountable for reviewing and endorsing sustainability- and climate-related matters, including policies, targets, calculations, methodologies and reporting. • **July 2025:** Endorsed Decarbonisation Roadmap. • **March 2026:** Endorsed Net Zero 2050 and interim emissions targets.
Head of Risk Management	Responsible for implementing ASC's RMF and overseeing risk-escalation processes.
Principal Sustainability Specialist	Leads implementation of ASC's Sustainability and Climate Management Framework and coordinates climate-related reporting.
Principal Environmental Specialist	Supports climate-risk assessments, emissions management, scenario analysis and climate-related data collection and reporting activities.
Environmental, Social and Governance (ESG) Working Group	Supports climate-related activities by monitoring performance data and coordinating sustainability initiatives.

Table 3: Governance structure for management roles in climate-related matters.

Escalation protocol of climate-related matters

Climate-related risks, initiatives and performance metrics are monitored through ASC's governance and risk management processes. Material risks are assessed against established risk-rating criteria and tolerance thresholds, and escalated through management and Board governance forums in accordance with the RMF.

Risk management

ASC manages climate-related risks through its RMF, and applies the same governance, assessment, monitoring and reporting processes used for all strategic, operational, program and project risks. Climate-related risks and initiatives are considered within all risk assessments and integrated into business planning and decision-making processes.

Risk identification and assessment

Climate-related risks are identified through stakeholder and subject matter expert (SME) workshops, supported by analysis of historical data, incident records and external climate information. Climate-related scenario analysis is performed annually.

ASC applies an established risk-rating criteria to determine whether climate-related risks are material. Climate-related risks are considered material where they could reasonably be expected to affect ASC's strategy, workforce, operations, financial position, financial performance or cash flows. Material risks are subject to active management and governance oversight in accordance with the RMF.

Prioritisation and management

Climate-related risks are prioritised using ASC's risk-rating criteria and managed within approved tolerance thresholds. Risk owners are responsible for implementing controls, monitoring performance and escalating risks where thresholds are exceeded. Risk treatment actions are incorporated into operational planning, business planning and continuous improvement activities.

Integration with risk management

Climate-related considerations are integrated into strategic planning, business planning, operational decision-making and risk management activities. Formal incorporation of climate-specific references into the RMF is planned for the next scheduled framework review.

Overview of climate-related risks and strategic initiatives

Table 4 summarises ASC's key climate-related risk themes identified through its climate-risk and materiality assessment processes, together with strategic initiatives that support emissions reduction and climate resilience. Detailed risk assessment and management processes are discussed in Risk management (page 48). ASC has not formally identified any material climate-related opportunities for the reporting period.

Physical risks	Transition risks	Strategic initiatives
Increased heat stress	Delayed infrastructure upgrades	Improve energy efficiency
Severe storms	Increased operating costs	Electrification of gas assets
Bushfires	Reduced ability to reduce emissions	Optimise facility performance
Coastal impacts, including sea-level rise	Stakeholder and reputation impacts	Improve organisational resilience

Table 4: Summary of key climate-related risk themes and strategic initiatives.

Climate risks and strategic initiatives

ASC has identified material climate-related risks that could reasonably be expected to affect its operations, workforce, facilities and long-term delivery of submarine capability, and has also identified climate-related strategic initiatives that support future emissions reduction and resilience outcomes. The identified risks and initiatives are based on ASC's business model and value chain and have been assessed across the defined time horizons summarised below.

Business model and value chain

ASC's business model is centred on the sustainment, upgrade and delivery of sovereign submarine capability for the Australian Government. The value chain includes critical suppliers, subcontractors, Right of Use (ROU) facilities and infrastructure, utilities and services, and the skilled workforce required to support submarine sustainment, CCSM LOTE activities and future SSN-AUKUS programs.

Climate-related risks and initiatives are concentrated across ASC's major coastal facilities in Osborne (SA) and Henderson (WA), critical infrastructure, energy supply, workforce and key suppliers.

Time horizons

Climate-related risks and strategic initiatives are assessed across time horizons aligned to ASC's Corporate Plan, major submarine programs and long-term asset lifecycles (see Table 5).

Year	Alignment with ASC strategic milestones
Current reporting period (2025-26)	Refers to the financial year ended 30 June 2026 – the first reporting period for ASC under the AASB S2 Climate-related Disclosures.
Short term (2026-30)	Framed within ASC's current Corporate Plan period (2026-31) as the planning horizon used for strategic decision-making, budgets, performance targets, risk management and capital allocation.
Medium term (2030-50)	Reflects ASC's extended program planning horizon, including submarine fleet transition milestones; workforce peaks; delivery of the first SSN-AUKUS submarines in the early 2040s; and CCSM LOTE program and sustainment activity through to the late 2040s.
Long term (2050-90)	Reflects the multi-decade lifecycle of sovereign submarine capability, including ASC's ongoing SSN sustainment and nuclear stewardship obligations, which extend decades beyond the formal Corporate Plan period.

Table 5: Time horizons applied to ASC program delivery schedules.

Climate-related physical and transition risks and initiatives

ASC's material physical and transition risks are summarised below (Table 6 and Table 7), together with climate-related strategic initiatives (Table 8) identified through business planning activities. Mitigation activities are described in Strategy, from page 52 (see Effects on financial position and performance, and cash flows, page 53).

Physical risks	Increased frequency and severity of extreme weather events
Description	Includes extreme heat, high wind, bushfires, storms and storm surges. Combination of acute and chronic hazards, such as increasing temperatures and cumulative coastal impacts, including sea-level rise.
Time horizons	Short-, medium- and long-term.
Geographic location	Major operational facilities located in coastal areas of Osborne (SA) and Henderson (WA).
Impact on ASC's business model and value chain	May include workforce disruption, reduced productivity, operational interruptions, infrastructure damage, increased operating costs, supply chain disruptions, and increased insurance premiums. Long-term impacts remain uncertain and will continue to be monitored through climate-risk assessments and scenario analysis.

Table 6: Physical risks – acute and chronic.

Transition risks	Reputational risk arising from climate inaction in key ROU facilities
Description	Exposure to risks arising from the transition to a lower-carbon economy, including changes in regulation, technology, market expectations and financing conditions, particularly in ROU facilities where ASC has limited control over underlying infrastructure and capital upgrades.
Time horizons	Short-to-medium term, and long-term (aligned to asset and lease conditions).
Geographic location	Osborne (SA) and Henderson (WA).
Impact on ASC's business model and value chain	ASC is constrained when implementing decarbonisation initiatives within ROU facilities, as infrastructure decisions are controlled by asset owners. Short-to-medium-term consequences may include higher operating costs, reduced ability to meet emissions targets and reputational impacts if infrastructure upgrades are delayed. Long-term impacts remain dependent on infrastructure upgrades, stakeholder collaboration and future regulatory requirements.

Table 7: Transition risks.

Climate-related initiatives

ASC has not formally identified any material climate-related opportunities through its climate-risk and materiality assessment process for the reporting period. However, it has identified several climate-related initiatives, including energy efficiency, electrification and asset optimisation measures, through its Decarbonisation Plan and broader business planning activities that may deliver future operational, financial and emissions reduction benefits.

Initiatives	Decarbonise operations
Description	Strategic initiatives relate to energy efficiency, electrification and asset optimisation. The identification of these initiatives has been informed by energy audits, operational control, regulatory developments and forward-looking scenario analysis. Strategic initiatives have been further defined through ASC's Decarbonisation Plan.
Time horizons	Short-to-medium term.
Geographic location	Osborne (SA) and Henderson (WA).
Impact on ASC's business model and value chain	ASC's focus is on improving operational resource efficiency, including onsite energy generation, storage and performance within existing ROU facilities; reducing overall energy consumption and reliance on utilities; and improving infrastructure resilience and emissions performance. Sustained integration of low-emissions operations supports the long-term viability of ASC's business model and reduces exposure to transition risks.

Table 8: Climate-related initiatives.

Strategy

Strategy and decision-making

ASC integrates climate-related risks and initiatives into its strategic planning, investment decisions and operational delivery. Key focus areas include infrastructure resilience, resource efficiency, electrification, emissions reduction and collaboration with asset owners and government stakeholders.

ASC's Corporate Plan and ASC 8 Strategic Framework integrate long-term planning, investment decision-making and operational delivery. Key activities supporting ASC's resilience and transition objectives are summarised in Table 9. The company's Decarbonisation Plan supports delivery of its Net Zero 2050 target and is included within broader strategic planning and business decision-making processes (Table 10).

Strategy and decision-making progress towards climate mitigation and adaptation
Current reporting period
• Climate-related risks considered in strategic planning.
• Formation of boat-building precinct Community of Practice.
• Strengthened business continuity and emergency preparedness.
Short term
• Capital allocation towards Decarbonisation Plan.
• Infrastructure resilience and asset management improvements.
• Implementing energy and resource efficiency improvements.
Medium term
• Continue Decarbonisation Plan and progress to Net Zero 2050.
• Collaborate with suppliers, government and stakeholders to support transition outcomes.
• Adopt low-emissions technologies and electrification opportunities.
Long term
• Continue integrating climate-related risks and initiatives into strategic planning and investment decision-making, recognising that the timing, nature and extent of future adaptation will depend on evolving climate projections, technology, regulatory settings and operational requirements.

Table 9: Climate-related strategy implementation.

Transition initiatives	Implementation enablers
• Energy efficiency and asset optimisation.	• Strategic planning integration.
• Renewable energy opportunities.	• Performance monitoring and reporting.
• Energy metering and monitoring.	• Collaboration with asset owners and landlords.
• Electrification of gas assets.	• Supplier engagement.
Assumptions and dependencies	
• Availability of low-emissions technologies and decarbonisation of localised electricity grids.	
• Forecast growth of ASC's workforce, and expansion of facilities and operations.	
• Cooperation from, and investment decisions by, asset owners and landlords to upgrade infrastructure.	

Table 10: Initiatives and enablers of ASC's Decarbonisation Plan.

Effects on financial position and performance, and cash flows

ASC has assessed the current and anticipated effects of climate-related risks and initiatives on its financial position and performance, and cash flows (Table 11). While no material climate-related financial impacts were identified during the reporting period, climate-related risks and strategic initiatives may influence future capital expenditure, operating costs and infrastructure investment decisions. ASC continues to develop its capability to assess these impacts as climate-related data quality, modelling techniques and organisational maturity improve.

ASC has not disclosed quantitative estimates of anticipated climate-related financial effects, as they are not currently separately identifiable and remain subject to a high degree of measurement uncertainty. The magnitude and timing of future impacts depend on external factors, including climate conditions, technology development, energy market transition pathways, asset-owner investment decisions and future regulatory settings. Accordingly, ASC considers qualitative disclosure to provide the most useful information to users at this stage.

	Impacts to financial position and performance, and cash flows
Current financial impacts	No material impacts identified during 2025-26.
Potential impacts to the financial statement	Revenue from contracts with customers; government grant income; labour, materials and subcontractor costs; repairs and maintenance; lease expenses; and other operating expenses.
Short-to-medium-term impacts	Increased expenditure associated with infrastructure resilience, energy efficiency and emissions reduction activities. Potential benefits include reduced energy consumption and operating costs.
Investment and funding	Climate-related expenditure is expected to focus on energy efficiency, electrification, emissions reduction and resilience measures. Funding may be provided by ASC, landlords and asset owners. There are no material disposal programs planned during the short-to-medium term.
Long-term outlook	Future financial effects remain uncertain and depend on climate projections, technology development, stakeholder decisions and regulatory settings.

Table 11: Climate-related impacts to ASC's financial performance.

Climate-scenario analysis methodology

ASC undertook climate scenario analysis using the Department of Climate Change, Energy, Environment and Water's (DCCEEW) Climate Risk and Opportunity Management Program (CROMP) methodology, which applies scenario modelling from globally and nationally recognised frameworks, including the:

- Intergovernmental Panel on Climate Change (IPCC) scenario pathways;
- Bureau of Meteorology (BoM); and
- Commonwealth Scientific and Industrial Research Organisation (CSIRO) data sets.

Three emissions scenarios (low, moderate and high), representing a range of global warming outcomes consistent with internationally recognised temperature pathways, were assessed to evaluate the resilience of ASC's strategy and business model across defined time horizons (Table 12). The time

horizons enable ASC to develop and assess trade-offs between near-term performance, long-term resilience and uncertainties in policy, technology and climate projections, and build scenarios of plausible futures against which resilience is tested.

Results indicate transition risks are most relevant in the short term, while physical risks increase over the medium and long term. ASC's strategy is considered resilient across the scenarios assessed, subject to ongoing adaptation and stakeholder collaboration.

Scenario	Time horizons *(refer to Table 5)*	Temperature increase	CROMP description	International science-based alignment
	Present day	<1.5°C		
Low emissions	Short-term	~1.5°C	Ambitious mitigation consistent with strong global decarbonisation	Paris Agreement-aligned transition scenario
Moderate emissions	Medium-term	~2-3°C	Emissions reduced in line with current policies and commitments	Current policy/middle-of-the-road projections
High emissions	Long-term	>4°C	Continued high emissions with limited mitigation	Worst-case physical risk scenario

Table 12: Emissions scenario analysis.

Data sources and assumptions

Scenario analysis was informed by nationally and internationally recognised climate data sets, including IPCC, CSIRO, BoM and Climate Change in Australia projections. Assumptions considered climate policy, regional climate conditions, economic factors and future energy-system development relevant to ASC's operations and facilities, including higher utilisation of renewable energy in local electricity grids. Key assumptions were applied consistently across all scenarios to evaluate the potential effects of differing climate pathways on ASC's operations, infrastructure and strategic planning activities. These assumptions reflect current knowledge and are applied consistently across scenarios.

Significant areas of uncertainty

Climate-related financial impacts remain subject to significant uncertainty due to the long-term nature of climate projections, future policy responses and technology development. Quantitative estimates will be refined as data quality and modelling capability improve.

Climate resilience

ASC considers its strategy and business model to be resilient across the assessed low-, moderate- and high-emissions scenarios. Climate-related transition risks are expected to be most relevant in the short term, while physical risks become increasingly significant over the medium and long term.

The assessment indicates ASC can continue to deliver its strategic objectives through ongoing adaptation, climate-risk management, business continuity planning and implementation of the Decarbonisation Plan to support this assessment. ASC's ability to adapt remains dependent on collaboration with landlords, infrastructure owners, government and key stakeholders, particularly where infrastructure investment decisions sit outside ASC's direct control.

ASC recognises that sustainability is fundamental to maintaining its licence to operate and will continue to assess climate resilience through periodic scenario analysis and climate-risk assessments and strengthen its strategy, risk management and investment priorities as new information becomes available. ASC intends to further develop methodologies and data sources to support quantification in future reporting periods.

Metrics and targets

Greenhouse gas emissions results

Absolute gross GHG emissions for the reporting period are expressed in metric tonnes of CO2-equivalent (tCO2-e) and categorised as Scope 1 and Scope 2 emissions. ASC has applied the transition relief available under AASB S2 and has not disclosed Scope 3 emissions in the current reporting period. Emissions generated during the reporting period are in Table 13.

Detail	Unit	GHG emissions
Scope 1 emissions	tCO2-e	865
Scope 2 emissions (location-based)	tCO2-e	4,768
Total Scope 1 and 2 emissions	tCO2-e	5,633

Table 13: Total GHG emissions for 2025-26 Scope 1 and Scope 2 emissions.

Calculation methodology, assumptions and estimations

ASC measures Scope 1 and Scope 2 emissions in accordance with the GHG Protocol using the operational-control approach. Emissions are calculated using activity data, invoices, relevant emissions factors and estimates where required. Emissions factors are sourced from DCCEEW NGA Factors and other relevant sources.

Scope 1 emissions comprise stationary combustion, mobile combustion and fugitive emissions. Scope 2 emissions comprise purchased electricity consumed at facilities under ASC's operational control.

Cross-industry climate metrics

ASC has assessed exposure to climate-related transition risks, physical risks and climate-related strategic initiatives across its operations and major facilities. During the reporting period, exposure primarily related to major ROU facilities in Osborne (SA) and Henderson (WA), where climate-related physical and transition risks may affect operational performance and infrastructure resilience.

ASC is continuing to develop methodologies and internal data collection processes to quantify cross-industry climate metrics and intends to enhance these disclosures in future reporting periods.

Internal carbon price

ASC does not apply an internal carbon price in decision-making.

Climate-related targets

ASC has adopted an absolute Scope 1 and Scope 2 emissions-reduction target of Net Zero by 2050, using 2023-24 as the baseline year. Interim targets include:

- 43% reduction by 2030; and
- 62-70% reduction by 2035.

The targets apply to all operations within ASC's operational-control boundary and are aligned with Australian Government Net Zero commitments and the Paris Agreement. The targets have not been externally validated. No revisions were made during the reporting period.

Performance towards climate-related targets

ASC's performance against climate-related targets is assessed with reference to the Net Zero 2050 target and interim emissions-reduction targets. Current performance is evaluated against the 2030 target, which provides a measurable benchmark for tracking progress (Table 14). Any revision to the target will be disclosed and explained in ASC's annual Sustainability Report.

	Scope 1 & 2 (tCO2-e)	Scope 1 (tCO2-e)	Scope 2 (tCO2-e)	Performance towards target (%)	Performance against baseline (%)
Baseline (2023-24)	5,506	532	4,974	-	-
Current year (2025-26)	5,633	865	4,768	-	↑ 2.3%
Interim target (2030)	↓ 43%	Included in Scope 1+2 target		↑ 5.4%	-
Interim target (2035)	↓ 62-70%	Included in Scope 1+2 target		↑ 3.4%	-
Net Zero 2050 target	↓ 100%	Net Zero contribution		↑ 2.3%	-

Table 14: GHG emissions summary and progress towards targets.



Use of carbon credits

ASC may utilise carbon credits to address residual emissions that cannot reasonably be abated. Any future use will be disclosed separately.

Directors' declaration

2025-26 Sustainability Report

In the opinion of the directors of ASC Pty Ltd (the Company), the Company has taken reasonable steps to ensure that the substantive provisions of the Company's sustainability report for the financial year ended 30 June 2026, set out on the "Sustainability Report" of this document, are in accordance with the *Corporations Act 2001*, including:

(i) Complying with AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and

(ii) Containing the Climate Statement disclosures required by section 296D of the *Corporations Act 2001*.

This declaration is made on 27 August 2026 in accordance with a resolution of the Board of Directors of ASC Pty Ltd pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.

Signed for and on behalf of the board of directors by:



James White McDowell AO
Director

27 August 2026



Independent Auditor's Review Report

Australian National Audit Office

INDEPENDENT AUDITOR'S REVIEW REPORT ON SPECIFIED SUSTAINABILITY DISCLOSURES

To the members of ASC Pty Ltd and its controlled entities

Review Conclusion

I have conducted a review of the following specified sustainability disclosures included in ASC Pty Ltd's and its controlled entities' (the Company) Sustainability Report for the year ended 30 June 2026 (the "sustainability information") as required by the Australian Standard on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Review of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

I have not become aware of any matter in the course of my review that makes me believe that the following sustainability information does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*, and the Australian Sustainability Reporting Standard AASB S2 *Climate-related disclosures* (AASB S2):

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	Disclosures on pages 47 to 48.
Strategy (risks and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Descriptions of climate-related risks and opportunities disclosed on pages 49 to 55, including climate-related risks, strategic initiatives, strategy and climate resilience.
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Disclosures on pages 55 to 57, including greenhouse gas emissions results, calculation methodology, assumptions and estimations

Basis for Conclusion

I conducted my review in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Standard on Sustainability Assurance (ASSA) 5000 *General Requirements for Sustainability Assurance Engagements*, issued by the Australian Auditing and Assurance Standards Board. My review includes obtaining limited assurance about whether the sustainability information is free from material misstatement.

In applying the relevant criteria, I note that subsection 296C(1) of the *Corporations Act 2001* includes a requirement to comply with AASB S2.

My conclusion is based on the procedures I have performed and the evidence I 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 work performed* section of my

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report. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the sustainability information* section of my report.

I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for reviews of sustainability information conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my review of the sustainability information, to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code and the Australian National Audit Office Auditing Standards.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this assurance report.

The Australian National Audit Office applies the Australian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports, or Other Assurance or Related Services Engagements*, which requires the office 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Other information

The directors of the Company are responsible for the other information. The other information obtained at the date of this auditor's report is the director's report for the year ended 30 June 2026 but does not include the sustainability report and my auditor's report thereon.

My review does not extend to the other information, and I do not express any form of assurance conclusion thereon. I have issued a separate opinion on the Financial Report included in the Annual Report.

In connection with my review of the sustainability information, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the sustainability information, my knowledge obtained during the review, or otherwise appears to be materially misstated.

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

Directors' responsibility for the sustainability information

The directors of the Company are responsible for the preparation of the sustainability information in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001*, and the Australian Sustainability Reporting Standard and for designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of the sustainability information, in accordance with the *Corporations Act 2001*, *Corporations Regulations 2001*, and the Australian Sustainability Reporting Standard, that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Inherent limitations in preparing the sustainability information

The sustainability information includes estimates, assumptions and forward-looking information prepared using the methods, data sources and reporting boundaries described in the Basis of preparation section (page 45), Risk management section, including Risk identification and assessment (pages 48 - 49), and Metrics and targets section, including Calculation methodology, assumptions and estimations (pages 55 - 56). These sections note that the information is derived from internal and external sources and uses estimates and assumptions where necessary, which may affect quantification and comparability between entities or reporting periods.

As discussed in Climate risks and strategic initiatives, including Time horizons and Climate-related physical and transition risks and initiatives (pages 49 - 51), and Strategy, including Data sources and assumptions and Significant areas of uncertainty (pages 52 - 55), the sustainability information includes climate-related scenario

analysis and other forward-looking information. This information depends on assumptions about future climate pathways, climate projections, policy responses, technology development, energy transition pathways, asset-owner decisions, stakeholder collaboration and future regulatory settings. The report also notes that quantitative estimates of anticipated climate-related financial effects have not been disclosed because those effects are not currently separately identifiable and remain subject to high measurement uncertainty.

Emissions quantification, as discussed in Metrics and targets, including Greenhouse gas emissions results and Calculation methodology, assumptions and estimations (pages 55 - 57), is subject to inherent uncertainty because emissions factors and the values used to combine emissions from different gases rely on available scientific knowledge, estimation methods and external data sources. The Greenhouse Gas Protocol allows judgement in selecting reporting boundaries, emissions factors, estimation techniques and other acceptable methods, which may affect comparability between entities or reporting periods.

Auditor's responsibilities for the audit of the sustainability information

My objectives are to plan and perform the review to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a review report that includes my conclusion. Limited assurance is not a guarantee that a review conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the sustainability information.

As part of a review in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the engagement. I 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 disclosures 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.

I communicate with the directors regarding, among other matters, the planned scope and timing of the review and significant findings, including any significant deficiencies in internal control that I identify during my engagement.

Summary of work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the sustainability information. The nature, timing, and extent of the procedures selected depend on professional judgment, including the assessed risks of material misstatement at the disclosures level, whether due to fraud or error.

My review consisted of making inquiries, primarily with persons responsible for preparing the sustainability information, and applying analytical and other appropriate procedures. The procedures I performed included, but were not limited to, the following:

- Considered the completeness of ASC Pty Ltd's assessment of climate-related risks and opportunities.
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period.
- Reviewed the minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures.
- Assessed the appropriateness of the reporting boundaries applied.
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information.

- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes.
- Agreed the selective sustainability information disclosures made in the report with the underlying records.
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2.

Australian National Audit Office



Sean Benfield
Senior Executive Director
Delegate of the Auditor-General

Canberra
31 August 2026



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Security

Security

Throughout 2025-26, ASC worked closely with CoA agencies, Defence stakeholders and AUKUS partners to strengthen security resilience and ensure the protection of sensitive technologies, information and infrastructure. Focus was placed on safeguarding naval-nuclear-propulsion-related information and capability, maintaining compliance with security obligations, and supporting Australia's broader national security interests.

The security environment continued to be shaped by rapidly evolving cyber threats, increasing use of artificial intelligence (AI) by malicious actors, foreign intelligence activities, and heightened geopolitical tensions. These factors reinforced the need for an integrated risk-based approach to security across the company.

During the reporting period, ASC established a Security Governance and Assurance team to support governance, risk and assurance activities across both Protective Security and Cybersecurity functions. The team provides a dedicated capability to coordinate oversight, compliance monitoring and assurance activities, strengthening visibility of security risk and supporting the ongoing maturity of ASC's security framework.

Protective security

ASC continued to strengthen its protective security capability during 2025-26 through ongoing investment in people, processes and physical security measures. Security activities remained focused on protecting the organisation's workforce, facilities, information and critical assets, while enabling operational effectiveness.



Figure 5: ASC's key protective security activities.

Governance, risk and assurance

The maturity of ASC's protective security governance arrangements increased during the year through enhanced oversight, risk management and assurance activities. The establishment of the Security Governance and Assurance team strengthened ASC's security governance framework by providing a dedicated capability to coordinate governance, risk and assurance activities across the Protective Security and Cybersecurity domains.

Regular reviews of security risks, emerging threats and control effectiveness informed decision-making and helped ensure security arrangements remained aligned with legislative, regulatory and contractual obligations, as well as the company's evolving operational requirements and strategic priorities.

Personnel security

ASC maintained a strong focus on personnel security, recognising that people remain a critical element of an effective security posture. Security vetting and screening requirements continued to be applied according to role responsibilities, complemented by targeted awareness and education programs.

Additional emphasis was placed on strengthening workforce understanding of emerging threats, including social engineering, insider risk, foreign interference and AI-enabled deception techniques. These initiatives support a culture in which security remains a shared responsibility across the company.

Cybersecurity

Cybersecurity continues to be a critical enabler of ASC's operations and future capability. As the company expands its digital ecosystem and supports increasingly sophisticated defence programs, maintaining a resilient and secure technology environment remains a strategic priority.

During 2025-26, ASC continued to enhance its cybersecurity capabilities in response to a dynamic threat landscape. The company invested in strengthening its cyber-resilience, security monitoring, incident-response preparedness, threat intelligence and workforce capability. These initiatives further improved the organisation's ability to detect, prevent and respond to emerging cyber threats.

As a participant in Australia's critical infrastructure and defence industrial base, ASC remains committed to maintaining cybersecurity practices that meet the expectations of government, regulators and Defence partners, while supporting trusted and secure operations.



Figure 6: ASC's key cybersecurity activities.


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Social licence

Social licence

ASC's ability to deliver on its mission is closely linked to the trust and confidence it builds with stakeholders, communities and employees. As a contributor to Australia's national security and industrial capability, the company recognises the importance of operating responsibly, creating shared value, and maintaining strong relationships with those affected by its activities.

During the reporting period, ASC undertook proactive engagement with local communities and government, First Nations stakeholders, and industry partners, with a focus on building trust through open communication, responsible business practices and a commitment to understanding stakeholder perspectives.

External engagement and strategic initiatives

The company established a dedicated Community and Social Performance team in 2025-26, with a presence in both SA and WA, enhancing its ability to build local relationships, understand stakeholder perspectives and support consistent engagement.

In support of the SSN-AUKUS Build Program, ASC continued to work collaboratively with fellow SSP BAE Systems and the ASA to engage with the local community and key stakeholders, including the Office for AUKUS (SA Government), ANI and Port Adelaide Enfield Council.

Key milestones during the reporting period included:

- gaining ASA approval of an SSN-AUKUS Build Program social licence strategy (2025-27), jointly developed with BAE Systems; and
- developing a Community Engagement Plan and Community Investment Framework.

Commitment to reconciliation

ASC continued to progress its reconciliation journey in 2025-26 with its second Innovate Reconciliation Action Plan (RAP). Building on the foundations established through previous RAPs, the new 2026-28 plan will reflect lessons learned and focus on strengthening delivery accountability and measurable outcomes.

ASC's ExCo maintains strategic oversight of reconciliation outcomes, with the Chief Financial and Commercial Officer as ASC's First Nations and RAP Executive Sponsor. The establishment of the Community and Social Performance team has provided dedicated capability to support the company to coordinate delivery, strengthen accountability and support engagement with First Nations stakeholders.



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People and Culture

People and Culture

ASC's People and Culture Strategy ensures the company has the required human capital to achieve its operational and strategic goals.

During 2025-26, ASC's permanent workforce grew to 3,340 (up from 2,627 in June 2025). At 30 June 2026, ASC was employing a total of 176 apprentices (up from 150 in June 2025) and 181 graduates (up from 135 in June 2025).

The company was successful in meeting its established staff-retention performance target for the period, maintaining a voluntary unplanned staff turnover rate of less than 10%. The 12-month rolling turnover figure in June 2026 was 6.9% (reduced from 7.8% in the 12 months ending June 2025).

	Male			Female			Gender-diverse	
State	Full-time	Part-time	Total	Full-time	Part-time	Total	Total	Total
NSW	3	0	3	0	0	0	0	3
QLD	3	0	3	4	0	4	0	7
SA	1,551	24	1,575	512	53	565	1	2,141
TAS	0	0	0	1	0	1	0	1
VIC	8	1	9	4	0	4	0	13
WA	693	7	700	224	18	242	0	942
ACT	1	0	1	0	0	0	0	1
NT	1	0	1	0	0	0	0	1
External territories	0	0	0	0	0	0	0	0
Overseas	208	0	208	23	0	23	0	231
Total	**2,468**	**32**	**2,500**	**768**	**71**	**839**	**1**	**3,340**

Table 15: ASC permanent workforce by gender, location and employment status at 30 June 2026.

Workforce capability development

Multi-Class Sustainment

Throughout the reporting period, ASC developed its workforce capability and capacity to support delivery of the CCSM Program while laying the foundations for Australia's future sovereign submarine workforce.

- By the end of the reporting period, a total of 214 employees had been deployed to the PHNSY, Hawaii (US), for VCS sustainment training, including more than 70 in 2025-26 alone. ASC continued to collaborate closely with international partners, the ASA and the Naval Shipbuilding and Sustainment Group (NSSG) to deliver these results.

- Recruitment efforts remained strong, with an ongoing attraction campaign targeting both internal candidates and external specialists in nuclear engineering, radiological controls and tradespeople with bespoke welding competencies. Recruitment actions involving personnel coming from the CCSM Program were measured through a quantifiable impact assessment process.
- ASC's MCS Workforce Plan was further developed and delivered to the CoA, evolving a strategic framework to guide workforce growth, capability development and deployment planning.
- A series of strategic workforce expansion initiatives were identified, planned and completed to support the company's significant growth requirements. The initiatives also addressed the critical enablers needed to sustain growth over the long term, including training infrastructure, systems and support services.
- Workforce planning efforts evolved to include active monitoring of training progress and competency development, ensuring PHNSY-deployed personnel are on track to meet SRF-West operational requirements.
- A pastoral care model was embedded to support employee wellbeing, retention and engagement, particularly for those undertaking long-term overseas deployments.

SSN-AUKUS Build Program

During 2025-26, ASC's SSN-AUKUS Build Program workforce activities focused on balancing immediate mobilisation requirements with the long-term development of a sovereign SSN build capability, ensuring the organisation remains positioned to meet evolving program demands.

Key activities included:

- strategic workforce planning and forecasting through the development of long-term demand modelling and short-to-medium-term resource profiles to identify future capability requirements and workforce capability pathways;
- workforce mobilisation initiatives to mobilise critical talent aligned to program priorities and delivery milestone requirements;
- international capability development through deployment of ASC personnel to the UK for long-term training (embedded as assignees within BAE Systems), enabling knowledge transfer and supporting development of Australia's future submarine workforce;
- workforce growth initiatives, including early-careers programs designed to establish a sustainable pipeline of SQEP for long-term program delivery;
- nuclear mindset culture and workforce readiness activities, aimed at developing the behaviours, safety mindset and regulatory awareness essential for working in an SSN environment;
- cultural integration activities with BAE Systems, implementing cultural alignment and ways-of-working initiatives in preparation for the IJV that will deliver the SSN-AUKUS Build Program; and
- collaboration with the CoA and key stakeholders to support mobilisation planning for the Skills and Training Academy Campus (STAC), a critical enabler for future workforce development.

The STAC will prioritise SSN construction training delivered within the campus, supporting the growth of SQEP capability, and ensuring the future workforce is equipped with the skills and competencies required across the NPS Enterprise.

Diversity, Equity and Inclusion

Recognising that workplace diversity, equity and inclusion (DEI) contributes to positive employee experiences, supports career development and encourages employee retention, ASC continued to deliver and build upon its DEI initiatives during 2025-26.

Key DEI achievements

- Finalised ASC's 2026-29 *Together as One* DEI Strategy, along with a 12-month action plan that outlines a range of company-wide initiatives focused on four priority diversity dimensions:
    - gender inclusion;
    - First Nations inclusion;
    - LGBTQIA+ inclusion; and
    - disability and neurodiversity inclusion.
- Increased the proportion of women in the ASC workforce to 24.7% (up from 22% as at 30 June 2025).
- Recognised in the 2026 WORK180 Top 101 Employers for Women list, placing ASC among Australia's most progressive and accountable organisations for gender equity.
- Gained continued endorsement from WORK180 as an Employer of Choice for all Women.
- Continued to enhance support for parents through the provision of competitive paid parental leave, childcare support for primary caregivers, and paid superannuation for unpaid parental leave.
- Leveraged a continued partnership with Pride in Diversity to enhance workplace inclusion for LGBTQIA+ employees.
- Partnered with the Hidden Disabilities Sunflower program to enhance workplace inclusion for those with invisible disabilities.
- Partnered with SBS Inclusion to provide all personnel with a series of e-modules on ASC's Learning Management System to improve awareness and provide education across each diversity dimension.

Organisational Learning and Development

Throughout 2025-26, ASC remained committed to empowering its employees to reach their full potential through organisational learning and development (OL&D).

Key OL&D activities

- Established operational-level working groups to uplift sovereign technical training capability in support of the SRF-West, SSN Sustainment and SSN-AUKUS programs.
- Enhanced technical onboarding programs to expedite new hires' time-to-competence.
- Formalised and began ASC's position as sole industry partner for Advanced Manufacturing at Tonsley Technical College, and joint industry partner for Advanced Manufacturing at The Heights Technical College, both in SA.
- Developed and delivered re-onboarding program for repatriating ASC personnel from Pearl Harbor to support their transition and strengthen engagement and connection to ASC's culture.
- Undertook a current-state culture analysis, and designed a desired future-state culture.


ASC

- Commenced hosting of Defence Industry Pathways Program trainees within the ASC workforce.
- Supported the deployment of ASC personnel to train with overseas partners in preparation for ASC's SSP and SSSP roles.

Industrial Relations

Enterprise Agreement (EA) bargaining

ASC undertook bargaining for two replacement EAs during 2025-26 and commenced bargaining for one new agreement.

- Bargained to replace both the ASC Pty Ltd (Western Australia) Team Leads Enterprise Agreement 2022 and ASC Pty Ltd (Western Australia) Submarine Safety and Certification Group Enterprise Agreement 2023. At the conclusion of the reporting period both EAs were in the final stages of bargaining.
- Commenced bargaining for the ASC Pty Ltd (Western Australia) Support and Test Equipment Enterprise Agreement 2025.

Preparation also began in relation to bargaining for an EA that will cover the SSN-AUKUS Build workforce. ASC is collaborating with BAE Systems to prepare the bargaining mandate.

ASC Enterprise Agreements in place at 30 June 2026

Agreement	Coverage	Expiry
ASC Pty Ltd (Western Australia) Submarine Safety and Certification Group Enterprise Agreement 2023	Submarine Certification Group employees whose primary place of employment is in WA (around 20 employees).	**1 July 2026**
ASC Pty Ltd (Western Australia) Team Leads Enterprise Agreement 2022	Operations Team Lead employees whose primary place of employment is in WA (around 20 employees).	**3 July 2026**
ASC Pty Ltd (Western Australia) Enterprise Agreement 2024	Trade employees whose primary place of employment is in WA (around 250 employees).	**7 January 2028**
ASC Pty Ltd (South Australia) Enterprise Agreement 2024	Warehouse and Trade employees whose primary place of employment is in SA (around 350 employees).	**26 March 2028**
ASC Pty Ltd (Western Australia) Trade Planning Enterprise Agreement 2023	Trade Planning employees whose primary place of employment is in WA (around 10 employees).	**22 April 2028**
ASC Pty Ltd Enterprise Agreement Production Team Leads ASC North 2024	Operations Team Lead employees whose primary place of employment is in SA (around 30 employees).	**31 January 2029**

Table 16: ASC EAs at 30 June 2026.



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Corporate governance

Corporate governance

ASC is a proprietary company limited by shares and registered under the *Corporations Act 2001*. It is subject to the *Public Governance, Performance and Accountability Act 2013*. All shares issued in the capital of ASC are owned by the CoA, represented by the DoF. The ASC Group's structure is shown in Figure 7.

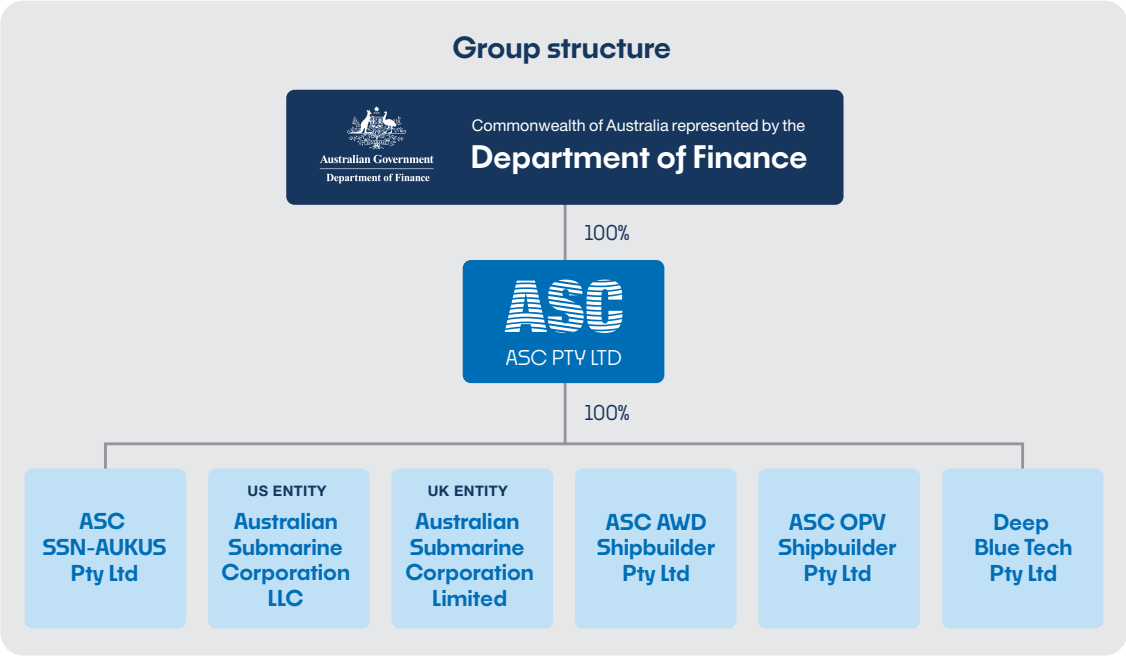


Figure 7: ASC Group structure.

On 11 June 2004, ASC was proclaimed as a GBE under the then *Commonwealth Authorities and Companies Act 1997*. ASC remains a GBE pursuant to section 5(2)(a) of the *Public Governance, Performance and Accountability Rule 2014*. ASC is a Commonwealth company.

ASC's former ASC Modules Pty Ltd subsidiary – characterised as a non-trading entity from June 2005, and a dormant entity from 2015 – was deregistered on 21 April 2026.

Directors

ASC's directors are appointed to the company's Board for a term by the Minister for Finance. ASC's Board composition at 30 June 2026 was as follows:



Jim McDowell AO

Chair

LL.B (Hons) D.Univ (honoris causa)
Appointed: 1 September 2025

Commencing as Chair on 1 January 2026, Jim has over 30 years' senior leadership experience across the private and public sectors.

Before joining the ASC Board (initially as Deputy Chair) in September 2025, he served as Deputy Secretary of the NSSG in the Australian DoD from July 2023 to April 2025.

Prior to this, Jim spent three years as CEO of Nova Systems, and from 2018 to 2020 was Chief Executive of the SA Government's Department of the Premier and Cabinet. He is also a former CEO of BAE Systems' operations in Australia and Saudi Arabia.

Jim has held numerous non-executive appointments, including as Chair of the Australian Nuclear Science and Technology Organisation and the Trusted Autonomous Systems Cooperative Research Centre; a director of Austal, Codan and the Australian Strategic Policy Institute; and Chancellor of the University of South Australia.

He was appointed an Officer of the Order of Australia (AO) in 2026.



Geoff Rohrsheim

Non-Executive Director

BE (Hons) (Aerospace), MEngSc, GAICD
Appointed: 15 March 2019

Geoff has successfully established several innovative businesses in the IT sector and has significant experience as a company director.

He joined the ASC Board in 2019 and served as Deputy Chair from March 2022 to March 2025.

After completing studies in aerospace engineering at the Australian Defence Force Academy, Geoff served in Defence across various roles, including aircraft maintenance, fatigue management and IT.

Geoff is involved in multiple leadership roles across various technology ventures and has been recognised for leadership and innovation with the Pearcey Foundation's SA Entrepreneur Award in 2017 and EY's Entrepreneur of the Year for the southern region in 2006.

He is a former Board member of the Australian Cyber Collaboration Centre, Alcidion Corporation (ASX:ALC), Seeley International, Business SA (South Australian Chamber of Commerce and Industry) and RAA Insurance.



Dr Janis Cocking PSM

Non-Executive Director

BSc (Hons), DEng, PSM, FTSE
Appointed: 24 January 2023

Janis spent more than 40 years with the Defence Science and Technology Group (DSTG) and its predecessors, undertaking and leading science and technology programs, particularly in the maritime domain.

A world-recognised undersea technology expert, she was previously DSTG Chief, Maritime Division and Chief, Science Strategy and Program Division. Janis is also a former Board member of the Australian Maritime College of the University of Tasmania.

Janis received an Institute of Public Administration Centenary Medal for her work supporting the CCSMs. Her outstanding contributions to defence science and technology have also been recognised through a Public Service Medal (PSM) in 2018, and DSTG's establishment of the Janis Cocking Leadership Award in 2019.



Alice Williams
Non-Executive Director

BCom, FCPA, FAICD, CFA
Appointed: 18 April 2023

Alice has over 30 years' senior management and board-level experience, specialising in major-project governance, investment management, corporate advisory and equity fundraising. She has particular expertise in technology and cybersecurity governance and transformational technology projects.

Alice is a former director of NM Rothschild and Sons (Australia) Limited, Vice-President of JP Morgan Australia, and non-executive director for such organisations as Cooper Energy, Defence Health, Telstra Sale Company Limited and the AASB.

She has served as Commissioner for the Victorian Competition and Efficiency Commission, Chair of the 2004 Wheat Marketing Review Panel and as a member of the Foreign Investment Review Board.

Alice is currently a non-executive director of Mercer Investments Australia Ltd, ProMedicus and Tobacco Free Portfolios, and a director of Swimming Australia Limited and Swimming Australia Foundation Limited.



Jonathan Simcock
Non-Executive Director

BSc (Eng), FT NED Dip
Appointed: 27 November 2025

Based in the UK, Jonathan brings extensive experience and deep expertise in the leadership and delivery of very large projects and programs in complex, often regulated environments.

Since 2017, he has held a portfolio of non-executive and advisory positions. Most notably, he served on the Submarine Delivery Agency board in the UK Ministry of Defence (2018-24), including three years as Chair; and he was a non-executive director of British nuclear decommissioning site licence holder Sellafield Ltd (2019-25).

Prior to this, Jonathan spent four years as CEO of Smart DCC Ltd, the company responsible for providing the national data and communications infrastructure for Great Britain's smart-metering project.

He is also a former executive director of the Major Projects Directorate in the UK Office of Government Commerce, and had a 25-year career with Shell, initially as an engineer, then in various project and production management, commercial and strategy roles.



Debra Counsell
Non-Executive Director

BA, LLB, GAICD
Appointed: 25 March 2026

Debra has more than 30 years' professional experience spanning private practice, senior executive and board roles across a variety of sectors.

Her deep commercial and legal experience covers mergers and acquisitions, joint ventures (JVs), major projects, infrastructure and finance. She's highly skilled in the structuring and delivery of major projects, partnerships and programs in a variety of global settings and has lived and worked extensively overseas, including in Europe, North America, Southeast Asia, China, India, Africa and the Middle East.

Most recently, Debra was Chief Legal Officer and Company Secretary at BlueScope Steel Limited. She also served on two Bluescope JV boards; the first governed Bluescope's JV with Nippon Steel in Southeast Asia, and the second (which she chaired) its former JV with Tata in India.

In addition to her position on the ASC Board, Debra is a non-executive director of Nexus Hospitals (QIC) and chairs its Audit and Risk Committee.

Departed directors



Bruce Carter AO
Chair

MBA, FICA, FAICD, BEc
Appointed: 1 January 2010
Ceased: 31 December 2025

Bruce served as a non-executive director and chair of the ASC Board, joining the Board in 2010 with his appointment ceasing on 31 December 2025. During his time on the Board, Bruce oversaw ASC's successful transformation to a high-performing submarine sustainment company following the Coles Review in 2012.

Bruce was appointed ASC Chair in October 2012 and reappointed in 2015, 2018, 2021 and 2023.



Stuart Whiley AM
Managing Director

BSc (Hons), FIEAust, CPEng, GAICD
Appointed: 12 February 2018
Ceased: 2 January 2026

Stuart was appointed Managing Director (MD) and CEO of ASC Pty Ltd in February 2018, after holding the position of Interim CEO from July 2014, and ceased on 2 January 2026.

His career with ASC spanned more than 35 years, during which time he held various submarine program, project, schedule and systems engineering roles. In 2005 he was appointed General Manager, Collins Class Submarines and became responsible for the delivery of CCSM support services in SA and WA.

Prior to immigrating to Australia from the UK in 1988, Stuart held a number of engineering roles at BAE, Admiralty Research Establishment and Dowty working in a naval/weapons environment.

In the 2025 King's Birthday Honours List, Stuart was made a Member of the Order of Australia (AM) for significant service to the Defence Naval Industry.



Loretta Reynolds
Non-Executive Director

FAICD, SFFin, IP, GDLP, LL.B, BEc
Appointed: 9 February 2016
Ceased: 31 December 2025

Loretta served as a non-executive director on the ASC Board for just under 10 years, with her appointment ceasing on 31 December 2025.

Loretta is a partner and chair of national corporate law firm Thomson Geer. With more than 25 years' experience in the legal sector, she specialises in projects, mergers and acquisitions, and complex transactional work.

Loretta is also a non-executive director of infrastructure advisory and project management company RP Infrastructure and a member of the Business Advisory Group for Anacacia Capital.


ASC
Take Five
Bisley
ASC

Board membership

During 2025-26:

- Jim McDowell AO was appointed as a non-executive director and Deputy Chair, effective 1 September 2025, then subsequently appointed Chair, effective 1 January 2026;
- Bruce Carter AO ceased as Chair and a non-executive director, effective 31 December 2025;
- Loretta Reynolds ceased as a non-executive director, effective 31 December 2025;
- Stuart Whiley AM ceased as MD, effective 2 January 2026;
- Alice Williams was reappointed as a non-executive director, effective 18 April 2026;
- Dr Janis Cocking PSM was reappointed as a non-executive director, effective 24 January 2026;
- Jonathan Simcock was appointed as a non-executive director, effective 27 November 2025; and
- Debra Counsell was appointed as a non-executive director, effective 25 March 2026.

Board committee membership

Audit Committee	BASC	HRRC
Alice Williams (Chair) Loretta Reynolds (ceased 31 December 2025) Geoff Rohrsheim (commenced 1 March 2026) Dr Janis Cocking PSM (commenced 1 March 2026)	Geoff Rohrsheim (Chair) Bruce Carter AO (ceased 31 December 2025) Dr Janis Cocking PSM Jim McDowell AO (commenced 1 January 2026) Jonathan Simcock (commenced 1 March 2026)	Loretta Reynolds (Chair) (ceased 31 December 2025) Debra Counsell (Chair) (commenced 1 April 2026) Bruce Carter AO (ceased 31 December 2025) Dr Janis Cocking PSM Jim McDowell AO (commenced 1 January 2026)

Table 17: ASC Board and committee membership 2025-26.

Attendance

The ASC Board meets as often as required. During 2025-26 it met 15 times, including six out-of-session meetings[1]. Members of the ASC ExCo and other senior managers attend by invitation.

All Board committees provide a standing invitation for any director to attend their meetings (rather than limiting attendance to committee members). Committee agendas and papers are provided to all directors to ensure they're aware of matters to be considered.

Director	Board (including 6 x out-of-session)[1]			Audit Committee			HRRC			BASC		
	Held	Eligible	Attended	Held	Eligible	Attended	Held	Eligible	Attended	Held	Eligible	Attended
Bruce Carter AO[2]	15	9	7	-	-	-	5	3	3	4	2	2
Geoff Rohrsheim	15	15	15	5	2	2	-	-	-	4	4	4
Loretta Reynolds[3]	15	9	8	5	3	3	5	3	3	-	-	-
Dr Janis Cocking PSM	15	15	15	5	2	2	5	5	5	4	4	4
Alice Williams	15	15	13	5	5	5	-	-	-	-	-	-
Stuart Whiley AM[4]	15	9	9	-	-	-	-	-	-	-	-	-
Jim McDowell AO[5]	15	10	10	-	-	-	5	2	1	4	2	2
Jonathan Simcock[6]	15	7	7	-	-	-	-	-	-	-	-	-
Debra Counsell[7]	15	2	2	-	-	-	5	2	2	-	-	-

Table 18: ASC Board and committee meeting attendance 2025-26.

1. *The six out-of-session meetings took place on 22 July, 28 July, 18 September and 5 December 2025, and 16 January and 5 March 2026.*
2. *Bruce Carter AO served as Chair and a non-executive director until his cessation as a member of the Board, the HRRC and BASC on 31 December 2025.*
3. *Loretta Reynolds served as a non-executive director until her cessation as a member of the Board, Chair of the HRRC and member of the Audit Committee on 31 December 2025.*
4. *Stuart Whiley AM served as MD until his cessation as a member of the Board on 2 January 2026.*
5. *Jim McDowell AO commenced as a member of the Board and Deputy Chair on 1 September 2025, becoming Chair on 1 January 2026 and a member of the HRRC and BASC on 1 January 2026.*
6. *Jonathan Simcock commenced as a member of the Board on 27 November 2025 and a member of the BASC on 1 March 2026.*
7. *Debra Counsell commenced as a member of the Board on 25 March 2026 and Chair of the HRRC on 13 April 2026.*

Ministerial directions

In accordance with its constitution, ASC is subject to direction by the Minister for Finance. The Minister gave ASC no directions during 2025-26.

Corporate governance

ASC has adopted a corporate governance protocol which establishes:

- charters for the Board, Audit Committee, HRRC and BASC; and
- a Code of Conduct.

The Board monitors performance against its corporate governance objectives at each Board meeting. It also conducts full performance reviews every year, alternating between internal and external reviews. The most recent reviews were undertaken:

- externally in November 2025; and
- internally in November 2024.

ASC Board Charter

Under the ASC Board Charter, the Board is responsible for:

- overseeing the ASC Group, including control and accountability systems;
- appointing ASC's MD and Company Secretary, monitoring their performance and, where appropriate, removing them;
- approving other executive appointments, organisational changes and senior management remuneration policies and practices;
- monitoring and reviewing senior management's performance and strategy implementation, and ensuring they're appropriately resourced;
- providing strategic advice to management;
- determining the ASC Group's strategy and monitoring its performance against agreed objectives;
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures, as well as financial and other reporting;
- approving budgets and other key performance indicators (KPIs), reviewing ASC Group's performance against them, and monitoring the implementation of corrective action;
- reviewing and ratifying systems of risk management, internal control and legal compliance to ensure appropriate frameworks are in place;
- reviewing and overseeing the implementation of ASC's Code of Conduct for directors and executives;
- appointing ASC Board committees and approving their composition and any charters;
- monitoring and verifying compliance with legal and regulatory requirements, ethical standards and policies; and
- exercising due diligence to ensure ASC complies with its work health and safety obligations, including by taking reasonable steps to:
    - acquire, and keep up to date, knowledge of work health and safety matters;
    - understand the nature of ASC's operations and associated hazards and risks;
    - ensure appropriate resources are available, and processes implemented, to identify hazards and eliminate or minimise risks;
    - ensure ASC has appropriate processes for receiving and considering information regarding incidents, hazards and risks, and responding in a timely way;
    - ensure the business implements processes for complying with work health and safety laws, regulations and codes of practice; and
    - verify the provision, and use, of the resources and processes referred to above.

The ASC Board Charter can be downloaded at: asc.com.au/about-asc/corporate-governance

Audit Committee

The Audit Committee assists the ASC Board in achieving its objectives relating to:

- financial and performance reporting;
- financial risk oversight and management;
- annual budgeting and forward forecasts;

- the application of accounting policies;
- internal control;
- maintaining and improving the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis);
- establishing and overseeing effective internal and external audit functions and communication between the Board and auditors, both internal and external, in compliance with all applicable laws; and
- verifying that financial compliance strategies and functions are effective.

At 30 June 2026 the committee consisted of Alice Williams (Chair), Dr Janis Cocking PSM and Geoff Rohrsheim. For further information about the Audit Committee, and to download its Charter, visit: asc.com.au/about-asc/corporate-governance

Human Resources and Remuneration Committee

The HRRC assists the ASC Board in fulfilling its corporate governance and oversight responsibilities relating to the company's people strategy. This includes:

- remuneration components;
- performance measurements and accountability frameworks;
- recruitment and retention;
- talent management; and
- succession planning.

At 30 June 2026 the committee consisted of Debra Counsell (Chair), Jim McDowell AO and Dr Janis Cocking PSM.

Business Assurance and Security Committee

The BASC's objectives are to ensure:

- adequate systems are in place for the effective identification and assessment of all areas of potential material business risks, other than those arising from financial reporting and accountability (being risks considered by the Audit Committee);
- adequate policies, processes and procedures have been designed and implemented to manage identified material risks;
- appropriate action is undertaken to bring the identified material risks within ASC Group's risk tolerance levels;
- adequate systems are in place for the effective management of physical security and cybersecurity;
- a culture of compliance is being promoted; and
- compliance strategies and functions are effective.

At 30 June 2026 the committee consisted of Geoff Rohrsheim (Chair), Jim McDowell AO, Dr Janis Cocking PSM and Jonathan Simcock.

Code of Conduct

ASC has implemented a Code of Conduct for directors, employees and contractors which seeks to:

- articulate the high standards of honesty, integrity, and ethical and law-abiding behaviour expected of directors and other ASC personnel;
- encourage the observance of those standards to protect and promote shareholders' and other stakeholders' interests; and
- guide directors and personnel as to the practices considered necessary to maintain confidence in the ASC Group's integrity.

Auditor

ASC's external auditor is the Australian National Audit Office (ANAO). RSM has been appointed as the ANAO's subcontractor auditor for the purposes of ASC's audit.

The Audit Committee oversees internal audits, while the Group Internal Audit Manager reports to the Audit Committee and contributes to the achievement of ASC's goals and objectives by:

- assisting management in evaluating its processes for identifying, assessing and managing ASC's key operational, financial and compliance risks;
- assisting management in evaluating the effectiveness of internal control systems, including compliance with internal policies;
- recommending efficiency improvements in management's internal control systems;
- keeping abreast of new developments affecting ASC's activities, and in matters affecting internal audit work; and
- being responsive to ASC's changing needs, striving for continuous improvement and monitoring integrity in the performance of its activities.

Risk management

ASC is committed to integrating effective and practical risk management processes, robust reporting systems and embedding good governance to ensure informed decision-making aligned with the company's strategic objectives and corporate governance responsibilities.

The ASC Board, through the BASC, has accountability for risk management oversight and promoting a positive risk culture. This includes:

- reviewing key risks and guiding their management; and
- ensuring that an appropriate risk management framework is established and maintained.

Both the Audit Committee (financial risk) and the BASC (non-financial risk) are responsible for monitoring ASC's risk management performance.

ASC's RMF is based on the AS ISO 31000:2018 guidelines, with the ExCo monitoring its effective implementation. The risk governance structure aligns with ASC's operating model and provides appropriate assessment, mitigation and oversight across strategic, operational, program and project risks.

Legal compliance

ASC's Legal Compliance Program is approved and monitored by the BASC. In 2025-26, the program was delivered via online interactive learning modules, which covered:

- Corporate Governance, comprising modules relating to ASC's Code of Conduct, whistleblower protection, fraud and corruption, and modern slavery;
- Intellectual Property, including a course dedicated to ASC's management and protection of Saab Kockums IP;
- Respect in the Workplace (formerly Employment), comprising modules relating to equal opportunity, anti-discrimination, sexual harassment, sex-based harassment and bullying;
- Work Health and Safety, comprising modules relating to managing risks, incident notification, hazardous manual tasks, psychosocial hazards, and representatives and committees; and
- Controlled Technology, covering Defence export controls, including ASC's compliance under the US International Traffic in Arms Regulations regulatory regime.

Payments to other related Australian Government entities

	Aggregate value $	Number of transactions
ANI	23,183,834	142
ANAO	346,225	3
CSIRO	43,659	1
Comcare	249,577	5
DoD	1,267,485	15
DoF	197,157	5
Department of Industry, Science and Resources	40,977	5

Table 19: Payments to other related Australian Government entities.





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Remuneration Report

Remuneration Report

The Remuneration Report outlines ASC's approach to setting remuneration and provides the amounts paid to its key management personnel (KMP) for the year ended 30 June 2026.

ASC's KMP have the authority and responsibility for planning, directing and controlling the company's strategic direction throughout the year. The personnel covered in this report include ASC's non-executive directors, the Acting CEO, and certain other senior executive positions.

Name	Position	Term as KMP 2025-26
Non-executive directors		
Jim McDowell AO	Chair, Non-Executive Director Deputy Chair, Non-Executive Director	Appointed Chair 1 January 2026 Appointed 1 September 2025 Ceased as Deputy Chair 31 December 2025
Bruce Carter AO	Chair, Non-Executive Director	Ceased 31 December 2025
Dr Janis Cocking PSM	Non-Executive Director	Full year
Debra Counsell	Non-Executive Director	Appointed 25 March 2026
Loretta Reynolds	Non-Executive Director	Ceased 31 December 2025
Geoffrey Rohrsheim[1]	Non-Executive Director	Full year
Jonathan Simcock	Non-Executive Director	Appointed 27 November 2025
Alice Williams	Non-Executive Director	Full year
Senior executives		
Alex Walsh	Acting CEO Chief Nuclear and Capability Officer	Appointed 12 December 2025 To 11 December 2025
Stuart Whiley AM[2]	CEO and MD	Ceased as CEO 11 December 2025 Ceased as MD 2 January 2026
Rebecca Brickhill	Chief Operating Officer – Multi-Class Sustainment	Appointed 3 March 2026
Danielle Bull[3]	Chief Capability Officer	Appointed 4 January 2026
Neil Crewdson[3]	Chief Nuclear Officer	Appointed 4 January 2026
Paul Gay	Chief Operating Officer – Multi-Class Sustainment	Ceased 10 October 2025
Christian Hamilton	Chief Operating Officer – SSN-AUKUS	Full year
Joanne Horne	Chief People and Workforce Development Officer	Full year
Rebecca Livesey	Chief Strategy and Transformation Officer	Full year
Ashley Menadue	Chief Finance and Commercial Officer	Full year

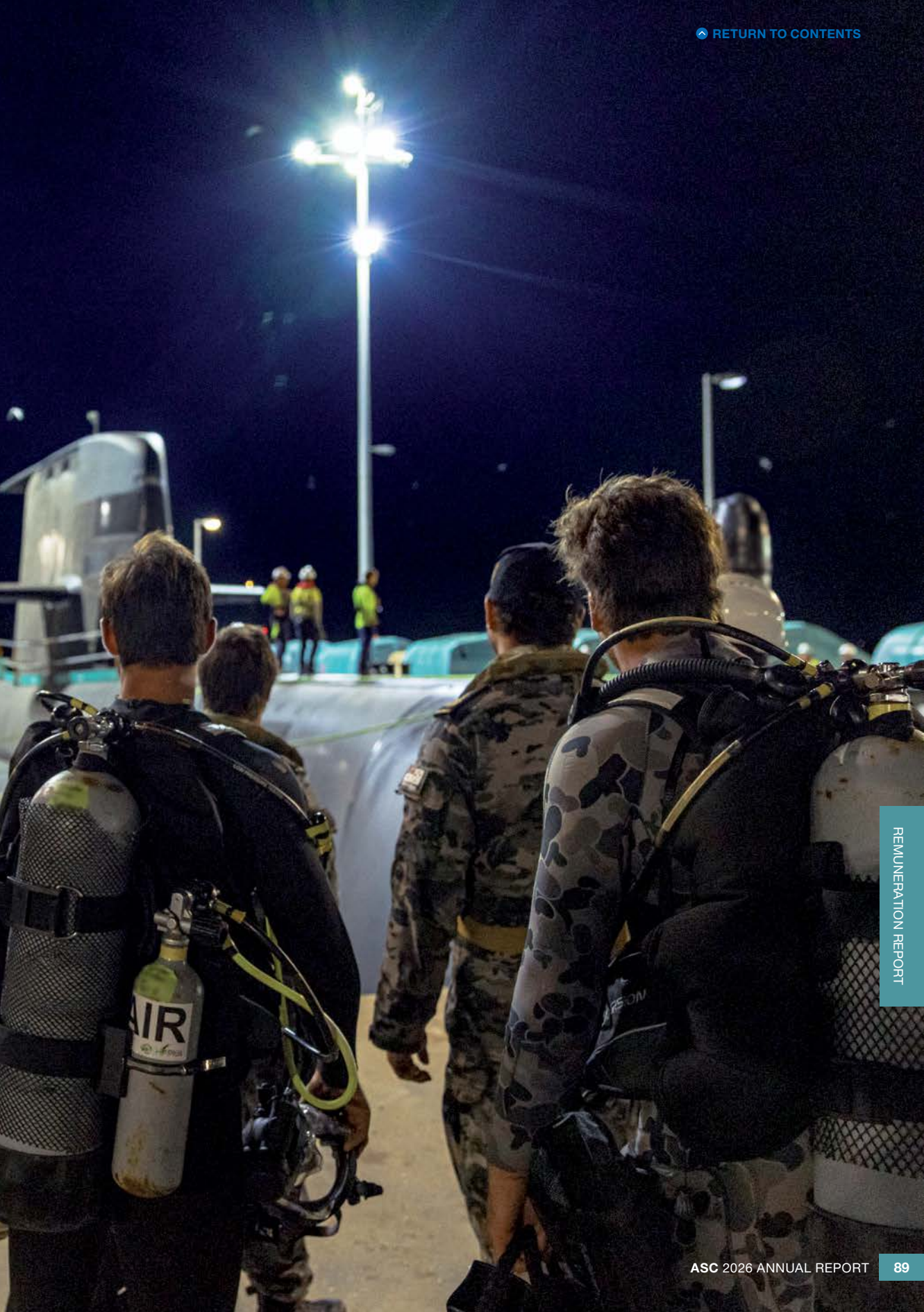
Table 20: ASC's KMP for the financial year 2025-26.

1. Ceased the role of Deputy Chair from 15 March 2025.

2. Stuart Whiley ceased as CEO on 11 December 2025 and as MD on 2 January 2026. He was no longer considered KMP as at 2 January 2026.

3. Danielle Bull and Neil Crewdson held non-KMP roles prior to being appointed to KMP roles during the year.




AIR

Non-executive director fees

All ASC non-executive directors are appointed by the CoA through the Minister for Finance.

Their fees are set through determinations by the Commonwealth Remuneration Tribunal, an independent statutory body overseeing the remuneration of key Commonwealth offices. The Tribunal makes its determinations in accordance with the *Remuneration Tribunal Act 1973* (Cth).

The current fees (excluding superannuation) paid to ASC non-executive directors for the 2025-26 and 2024-25 financial years are outlined below. Note that the Chair and Deputy Chair receive no additional fees for membership on ASC's committees. Non-executive directors receive no additional fees for membership on ASC's HRRC.

Non-executive position	From 1 July 2025 $	From 1 July 2024 $
Chair – Board	188,350	183,930
Deputy Chair – Board	141,270	137,950
Member – Board	87,940	85,870
Chair – Audit Committee	18,510	18,070
Member – Audit Committee	9,260	9,040
Chair – BASC	17,770	17,350
Member – BASC	8,900	8,690

Table 21: Non-executive directors' fees for the financial years 2025-26 and 2024-25.



Photo: Department of Defence

Non-executive director remuneration

Amounts paid to each non-executive director are disclosed in the following table. Board and committee fees are presented as 'Other benefits and allowances'.

		Short-term benefits	Post-employment benefits	
Name	Year	Other benefits and allowances $	Superannuation contributions $	Total remuneration $
Jim McDowell AO	**2025-26**	**136,194**	**16,343**	**152,537**
	2024-25	-	-	-
Bruce Carter AO	**2025-26**	**97,073**	**11,649**	**108,722**
	2024-25	179,830	20,667	200,497
Dr Janis Cocking PSM	**2025-26**	**99,637**	**11,963**	**111,600**
	2024-25	92,431	10,626	103,057
Debra Counsell	**2025-26**	**21,309**	**2,557**	**23,866**
	2024-25	-	-	-
Dr Rosalind Dubs	**2025-26**	**-**	**-**	**-**
	2024-25	52,260	6,009	58,269
Loretta Reynolds	**2025-26**	**50,095**	**6,460**	**56,555**
	2024-25	92,762	10,651	103,413
Geoffrey Rohrsheim	**2025-26**	**111,582**	**13,390**	**124,972**
	2024-25	125,508	13,890	139,398
Jonathan Simcock	**2025-26**	**55,066**	**6,608**	**61,674**
	2024-25	-	-	-
Alice Williams	**2025-26**	**106,392**	**12,767**	**119,159**
	2024-25	101,608	11,668	113,276
Grand total	**2025-26**	**677,348**	**81,737**	**759,085**
	2024-25	644,399	73,511	717,910

Table 22: Non-executive directors' remuneration for the financial years 2025-26 and 2024-25.

1. *Jim McDowell was appointed as a non-executive director and Deputy Chair on 1 September 2025 and then Chair of the Board on 1 January 2026.*
2. *Bruce Carter served as Chair of the Board and member of the BASC until his cessation on 31 December 2025.*
3. *Dr Janis Cocking is a member of the BASC and was appointed as a member of the Audit Committee on 1 March 2026.*
4. *Debra Counsell was appointed as a non-executive director on 25 March 2026.*
5. *Dr Rosalind Dubs served as a non-executive director until her cessation as a member of the Board, the BASC and Audit Committee on 31 December 2024.*
6. *Loretta Reynolds served as a non-executive director until her cessation as a member of the Board and Audit Committee on 31 December 2025.*
7. *Geoffrey Rohrsheim is the Chair of the BASC and was appointed as a member of the Audit Committee on 1 March 2026. He ceased the role of Deputy Chair on 15 March 2025.*
8. *Jonathan Simcock was appointed as a non-executive director on 27 November 2025.*
9. *Alice Williams is the Chair of the Audit Committee.*

Acting Chief Executive Officer remuneration

ASC's Acting CEO is appointed by the CoA through the Minister for Finance.

The Acting CEO role has been declared by the Commonwealth Remuneration Tribunal as a Principal Executive Office (PEO) under the *Remuneration Tribunal Act 1973* (Cth). The remuneration for this office has been determined and paid in accordance with the Remuneration Tribunal's guidance and is comprised of two components: total fixed remuneration (TFR) and at-risk performance pay (short-term incentive, or STI).

The Remuneration Tribunal sets the Total Remuneration Reference Rate (TRRR) range and at-risk performance pay for this office. The Acting CEO is currently paid in the TRRR lower range at the Board's discretion. He is eligible for an STI of up to a maximum of 50% of TFR (pro rata for time served in the position).

Senior executive remuneration

The remuneration structure for ASC's senior executives reporting to the Acting CEO is developed by the Acting CEO in consultation with the ASC Board's HRRC.

ASC's senior executive remuneration is structured with a TFR amount, together with an STI payment of up to 40% of base salary, excluding superannuation. Actual STI is tied to a range of annual company and individual objectives. Senior executive STI includes a deferred retention component; 50% is paid 12 months after the end of the financial year.

ASC's senior executive remuneration packages are developed to ensure that, as much as possible, total remuneration is competitive when compared to similar organisations and senior executives are incentivised to deliver against company objectives.

When establishing an appropriate TFR for an ASC senior executive, the following elements are considered: market data; role risk and complexity; the executive's experience and skills; performance; and internal relativity within the senior executive group.

ASC's senior executive roles are independently benchmarked against reference market data gathered from market research and augmented with survey data.

The HRRC reviews senior executive remuneration packages annually to ensure they reflect company and individual performance, market conditions, and any relevant Tribunal determinations. The ASC Board is responsible for the approval of senior executive remuneration packages and the award of annual individual STIs following HRRC recommendations.

Executive contractual remuneration

The following table presents contractual TFR, inclusive of superannuation and the maximum potential STI for senior executive KMP roles as at 30 June 2026.

Executive KMP roles	TFR as at 30 June 2026 $	Maximum potential STI %
Acting CEO	805,833	50
Chief Finance and Commercial Officer	674,179	40
Chief Operating Officer – SSN-AUKUS	579,517	40
Chief Nuclear Officer	571,200	40
Chief People and Workforce Development Officer	561,383	40
Chief Strategy and Transformation Officer	561,383	40
Chief Operating Officer – Multi-Class Sustainment	561,120	40
Chief Capability Officer	544,320	40

Table 23: Senior executive KMP's effective contractual remuneration as at 30 June 2026.

Linking company and individual performance to remuneration

To ensure that ASC's strategic objectives are achieved, each senior executive remuneration package contains a portion of at-risk remuneration, paid as an STI. The STI program is a core element of ASC's senior executive remuneration package as it's tied directly to the successful completion of both company-assigned and individually assigned objectives, all directly aligned to ASC's strategy.

The STI allows the ASC Board to incentivise the delivery of corporate objectives aligned to ASC's strategy and reward senior executives who have contributed to ASC's success during the performance period.

Senior executive STI includes a deferred retention component; 50% is paid 12 months after the end of the financial year.

Executive remuneration

The following table represents the remuneration receivable by ASC's KMP senior executives applicable to the relevant year. All amounts are disclosed on an accruals basis. Base salary is required to include annual leave paid, movements in individual annual leave entitlements and concessional superannuation cap differences. These requirements result in disclosed base salaries that vary from individuals' contractual TFR.

The total amount payable for individual STI outcomes for 2025-26 includes superannuation at the applicable guarantee rates when payable. Excluding the Acting CEO, a portion of STI outcomes are payable in October 2026, presented in 'Short-term benefits'; the deferred retention component is payable in July 2027 and is presented in 'Other long-term benefits.' Termination benefits exclude annual leave and long-service leave paid out on termination.

Name	Year	Short-term benefits			Post-employment benefits	Other long-term benefits		Total remuneration $
		Base salary[1] $	Bonuses $	Other benefits and allowances[2] $	Superannuation contributions[3] $	Long-service leave[4] $	Other long-term benefits $	
Alex Walsh	**2025-26**	**735,702**	**189,587**	**18,338**	**102,984**	**26,725**	**48,566**	**1,121,902**
	2024-25	658,678	111,816	14,298	86,583	1,166	111,816	984,357
Stuart Whiley	**2025-26**	**498,895**	**132,424**	**134**	**19,777**	**10,198**	**-**	**661,428**
	2024-25	1,028,148	220,344	1,500	30,741	37,873	-	1,318,606
Rebecca Brickhill	**2025-26**	**180,181**	**36,588**	**-**	**19,919**	**2,083**	**36,588**	**275,359**
	2024-25	-	-	-	-	-	-	-
Danielle Bull	**2025-26**	**273,774**	**99,883**	**17,159**	**12,511**	**4,122**	**99,883**	**507,332**
	2024-25	-	-	-	-	-	-	-
Neil Crewdson	**2025-26**	**293,053**	**103,673**	**-**	**11,993**	**4,369**	**103,673**	**516,761**
	2024-25	-	-	-	-	-	-	-
Paul Gay	**2025-26**	**499,441**	**-**	**-**	**31,077**	**3,804**	**-**	**534,322**
	2024-25	666,079	76,422	-	30,224	16,333	76,422	865,480
Christian Hamilton	**2025-26**	**591,177**	**101,415**	**4,377**	**30,268**	**27,603**	**101,415**	**856,255**
	2024-25	586,673	93,872	-	30,188	14,325	93,872	818,930
Joanne Horne	**2025-26**	**578,308**	**101,891**	**59,181**	**30,277**	**27,970**	**101,891**	**899,518**
	2024-25	699,753	90,914	52,546	32,165	6,926	90,914	973,218
Rebecca Livesey	**2025-26**	**607,735**	**98,242**	**39,562**	**30,259**	**23,357**	**98,242**	**897,397**
	2024-25	530,202	87,864	27,594	30,196	2,203	87,864	765,923
Ashley Menadue	**2025-26**	**691,873**	**121,352**	**1,734**	**33,052**	**25,117**	**121,352**	**994,480**
	2024-25	694,625	111,587	-	30,239	16,834	111,587	964,872
Grand total[5]	**2025-26**	**4,950,139**	**985,055**	**140,485**	**322,117**	**155,348**	**711,610**	**7,264,754**
	2024-25	4,864,158	792,819	95,938	270,336	95,660	572,475	6,691,386

Table 24: Senior executive KMP's total remuneration for the financial years 2025-26 and 2024-25.

1. *Base salary is required to include annual leave paid, movements in individual annual leave entitlements, and concessional superannuation cap differences. These requirements result in disclosed base salaries that vary from individuals' contractual TFR.*
2. *Other benefits and allowances include allowances accessed by relevant senior executives during this period and fringe benefits tax amounts reported in accordance with Commonwealth entities' executive remuneration reporting guide for annual reports (RMG 138). ASC's policy is to pay superannuation guarantee on all applicable ordinary-time earnings (e.g. salary, at-risk components, allowances) based on the superannuation guarantee rate at the time of payment. Where the superannuation concessional cap (2025-26: $30,000) would be exceeded, senior executives may request that the superannuation be converted to a cash payment. Where this has occurred, the amount converted is included in base salary.*
3. *Danielle Bull and Neil Crewdson held roles within the organisation that were non-KMP and were appointed to KMP roles on 4 January 2026. Remuneration is disclosed within this report from the date they were appointed to KMP roles.*
4. *2024-25 long-service leave for Alex Walsh, Joanne Horne and Rebecca Livesey includes an adjustment relating to the present value of their long-service leave balances.*
5. *The 2024-25 remuneration disclosed has been restated, resulting in an increase of $112,010 across base salary, other benefits and allowances, and superannuation contributions. The restatement reflects the inclusion of the final pay period relating to 2024-25 which was inadvertently omitted from the prior year's disclosure.*


ASC
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Financial highlights

Photo: Australian Naval Infrastructure

Financial highlights

Two-year performance at a glance

ASC Group financial highlights	2025-26 $m	2024-25 $m
Revenue from contracts with customers	1,187.2	936.1
Income from government grants	3.8	30.3
Interest income	17.3	9.9
Other income	0.8	0.7
Total revenue and other income	**1,209.1**	977.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**(31.1)**	53.4
Depreciation and amortisation	(39.1)	(35.7)
Earnings before interest and tax (EBIT)	**(70.2)**	17.7
Interest expense	(5.7)	(5.8)
Operating profit before tax (PBT)	(58.6)	21.8
Income tax (expense)/benefit	16.7	(6.0)
Operating PAT	**(41.8)**	15.8
Dividend paid	9.5	3.8
Shareholder's equity	453.5	431.2
Total assets	958.2	865.5
EBITDA/Total revenue and other income (%)	**(2.6)%**	5.5%
EBIT/Total revenue and other income (%)	**(5.8)%**	1.8%
EBITDA/Shareholder's equity (%)	**(6.9)%**	12.4%
EBIT/Shareholder's equity (%)	**(15.5)%**	4.1%
PAT/Shareholder's equity (%)	**(9.2)%**	3.7%

Table 25: ASC Group financial highlights.



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Financial Report

Financial Report

ASC PTY LTD ABN 64 008 605 034

Incorporated in the Australian Capital Territory

Consolidated financial report for the year ended 30 June 2026

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This financial report covers ASC Pty Ltd and its controlled entities.
This financial report is presented in Australian dollars (unless otherwise noted).

Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the Group, or the consolidated entity consisting of ASC Pty Ltd (the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The following persons were directors of the Company during the entire financial year up to the date of this report, unless otherwise noted:

- James White McDowell AO (appointed Non-Executive Director 1 September 2025 and Chair 1 January 2026)
- Bruce James Carter AO (ceased 31 December 2025)
- Dr Janis Louise Cocking PSM
- Debra Counsell (appointed 25 March 2026)
- Loretta Anne Reynolds (ceased 31 December 2025)
- Geoffrey Roland Rohrsheim
- Jonathan Peter Simcock (appointed 27 November 2025)
- Alice Morrice Williams
- Stuart Paul Whiley AM (ceased 2 January 2026)

More information about the directors can be found on the Group's website at: www.asc.com.au

Principal activities

The Group's principal activities during the financial year ended 30 June 2026 are set out below.

Multi-Class Sustainment

ASC provides sustainment services for the RAN's CCSM fleet and AUKUS partner nations' SSNs in Australia.

CCSM ISSC activities

ASC's major activities under the ISSC include all required maintenance, design, development, engineering and updates for the six RAN CCSMs.

CCSM LOTE activities

The LOTE project, together with ongoing sustainment, will enable the RAN's CCSMs to continue operating effectively beyond their original withdrawal date. Life-extension work will be implemented during the boats' scheduled FCDs at ASC's Osborne site in SA, with scope to be informed by conditions-based assessments and determined by the DoD.

SSN Sustainment activities

On 22 March 2024, the CoA announced its selection of ASC as SSSP to sustain SSNs in Australia. SSN sustainment will initially take place at HMAS *Stirling*, Garden Island, WA, with ASC providing sustainment support for US and UK boats rotating through SRF-West from 2027.

ASC will later sustain Australia's SSNs at the nearby Henderson Defence Precinct: US-built VCSs from the early 2030s; and sovereign-built SSN-AUKUS boats from the early 2040s.

SSN-AUKUS Transition

ASC is collaborating on the transfer and development of capability to deliver Phase 3 of the AUKUS Pillar 1 Optimal Pathway: the sovereign build of Australia's future SSN-AUKUS Class submarines.

SSN-AUKUS mobilisation activities

On 22 March 2024 the CoA announced ASC and BAE Systems as Australia's SSPs. As such, the two companies are collaborating to establish a long-term IJV to build Australia's SSN-AUKUS submarines in Osborne, SA. Construction will commence before the end of this decade, with the first boat planned to be delivered in the early 2040s.

Shipbuilding

Hobart Class AWD activities

ASC was the main shipbuilder for the construction of Australia's three AWDs under an Alliance-based contract, known as the Alliance Based Target Incentive Agreement (ABTIA). The Group's obligations under the ABTIA were concluded during the year ended 30 June 2022. However, ASC remains contracted to the CoA under the Maritime Standing Offer for Services (MSO) to provide support to the AWD Program Management Office as required.

Arafura Class OPV activities

The Group was a subcontractor to Luerssen Australia for the construction in SA of the first two of six OPVs. The Group's obligations under this agreement were concluded during the year ended 30 June 2026.

Review of operations

Multi-Class Sustainment

CCSM ISSC operations

ASC commenced ISSC PP5 on 1 July 2024. The PP5 contract period is eight years, with the first four based on an agreed target cost estimate (TCE) and the second an indicative budget. Contract extensions every four years are subject to ASC receiving a 'Satisfactory' rating in the activity period's strategic review and CoA acceptance of the Company's contract proposal.

The CoA listed the CCSM program as a PoC in December 2024. Accepting its role in uplifting CCSM operational availability, ASC has in response contributed to a remediation plan in consultation with the DoD. Joint weekly reporting, which captures a number of productivity metrics, has been established between ASC and the NSSG. ASC is continuing to work through PoC remediation plan actions as a matter of priority.

CCSM LOTE operations

Significant LOTE preparatory work was completed during this reporting period, and HMAS *Farncomb*'s FoC life extension commenced on schedule in late May 2026. The scope for this work will be set by the DoD and informed by a conditions-based determination, which will include retaining and restoring base components while continuing to upgrade critical weapons and systems.

SSN Sustainment operations

ASC continued its preparations for SRF-West's commencement from 2027. Workforce planning and development progressed in collaboration with the NSSG, ASA and US partners. Well over 200 ASC personnel have now been deployed to PHNSY to undertake intensive VCS sustainment training.

ASC played a key role in two SMPs for visiting US and UK SSNs at HMAS *Stirling*: USS Vermont, a USN VCS, in October and November 2025; and HMS Anson, an RN Astute Class submarine, in February and March 2026.

ASC continued to support the planning and development of SSN sustainment facilities in WA; and supported capability uplift in the ASIB and TSIB.

SSN-AUKUS Transition

SSN-AUKUS mobilisation operations

ASC and SSN-AUKUS Build Program partner BAE Systems progressed joint development of workforce planning, industrial capability design and infrastructure readiness, ensuring the foundations for Australia's sovereign build capability will be in place when the IJV transitions to full operational form.

Concurrently, the UK's FoC SSN-AUKUS design in Barrow-in-Furness continued to progress towards its next design review iteration, which will form the baseline design for the Australian program. Throughout the period there was continued collaboration with the UK shipyard to ensure that the Osborne NPSCY detailed design remained coherent, and where improvement opportunities were identified ASC and BAE Systems transferred them effectively into the Australian context.

Shipbuilding

AWD operations

ASC subsidiary ASC AWD Shipbuilder Pty Ltd continued to support the AWD Program Management Office through the MSO, providing shipbuilding goods and services as required until December 2025.

OPV operations

The Group continued to provide support to the SEA1180 OPV Program Prime Contractor, Luerssen Australia, through the provision of resources and services under contract up to 31 October 2025.

Other

Equity Funding Agreement

During the 2025-26 financial year, ASC continued to invest in workforce growth, capability partnerships, investment in cybersecurity and digital transformation, and other activities required to support Australia's future SSN Sustainment capability. These activities are supported through specific shareholder funding arrangements (the EFA) and represent investment in long-term sovereign capability. In addition, under the EFA ASC has continued to invest in the digital transformation of its critical systems.

While the associated expenditure is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in accordance with Australian Accounting Standards, management also monitors a profit/(loss) before income tax measure excluding these shareholder-funded SSN Sustainment capability costs to assess operational performance against agreed business objectives. Management considers this measure useful in assessing the performance of ASC's contracted operations separately from shareholder-funded sovereign capability investments.

ASC achieved its underlying financial performance targets during the year, notwithstanding the impact of SSN Sustainment capability development expenditure on reported statutory loss after income tax result. ASC intends to apply this methodology consistently in future reporting periods.

A reconciliation of the profit/(loss) before income tax excluding equity-funded SSN capability development costs to the statutory loss after income tax is presented below:

	June 2026 $'000	June 2025 $'000
Profit/(loss) before tax excluding equity-funded SSN capability development costs	**53,809**	**48,949**
EFA expenses:		
SSN Sustainment	(108,918)	(25,058)
Digital Transformation	(3,442)	(2,064)
Total EFA expenses	**(112,360)**	**(27,122)**
Profit/(loss) before tax including equity-funded SSN capability development costs	**(58,551)**	**21,827**
Income tax (expense)/benefit	16,711	(5,992)
Profit/(loss) after income tax	**(41,840)**	**15,835**

Consolidated result

The Group's consolidated loss for the 2025-26 financial year, attributable to the Company's shareholder, was ($41,840,000) (2025: profit $15,835,000), after recognising an income tax benefit of $16,711,000 (2025: income tax expense of $5,992,000).

Dividends

Dividends paid during the financial year were as follows:

	June 2026 $'000	June 2025 $'000
Final dividend for the year ended 30 June 2025 of 3.5 cents (2024: 5.8 cents) per fully paid share, on 30 October 2025	**9,500**	3,800

The directors have not declared a dividend in respect of the year ended 30 June 2026.

Significant changes in the state of affairs

An update on the Group's contractual obligations is provided under Review of operations (from page 101), above.

There were no other significant changes in the Group's state of affairs during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

There are no likely developments in the operations of the Group that were not finalised at the date of this report.

Environmental regulations

The Group's operations are subject to environmental regulation under both Commonwealth and state legislation in relation to activities undertaken on ASC-operated sites in SA and WA.

The Group is committed to achieving a high standard of environmental performance consistent with the requirements of its sites' AS/NZS ISO 14001:2015 Environmental Management Systems (EMS) accreditation. Its EMS functions form part of ASC's corporate management system.

The Group has complied with all applicable environmental regulations and site-specific environmental licence requirements.

During the year, ASC prepared its inaugural Sustainability Report for the financial year ended 30 June 2026. The Sustainability Report, which forms part of ASC's Annual Report, provides information regarding ASC's sustainability strategy, governance, climate-related risks and opportunities, and related disclosures.

The Group is also required to report on emissions under the CCD policy that mandates Australian Commonwealth companies publicly report on their climate-related risks and opportunities, as well as their actions to manage them.

Directors' benefit

Since the end of the previous financial year, no Group director has received, or become entitled to receive, any benefit (other than reimbursement of expenses and the aggregate amount of remuneration received or due and receivable by directors shown in the consolidated financial report) through a contract made by the Group, its controlled entities or a related body corporate with the director or with a firm of which the director is a member, or with an entity in which the director has a substantial interest.

Indemnification and insurance of directors and officers

Indemnification

The Group has agreed to indemnify its current and previous directors and officers for all liabilities to another person (excluding the Group itself or a related body corporate) that may arise in their capacity as directors and officers of the Group and its controlled entities, except where liability arises out of the conduct involving a lack of good faith. The agreements stipulate that the Group will meet, to the extent permitted by law, the full amount of any such liabilities, including costs and expenses.

Insurance premiums

Since the end of the previous financial year, the Group, its directors and officers have paid insurance premiums in respect of directors' and officers' liability insurance contracts for current

and former directors and officers, including executive officers of the Group and directors, executive officers and secretaries of its controlled entities. The insurance premiums cover directors and officers for actual losses incurred in their capacity as directors and officers of the Group, which are not indemnified by the Group and which the director or officer becomes legally obligated to pay on account of certain claims made against them individually or otherwise. The terms of the insurance policy prohibit disclosure of amounts of the premium payable.

Proceedings on behalf of the company

No person has applied to the Court under section 238 of the *Corporations Act 2001* for leave to bring proceedings on behalf of ASC, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Indemnity and insurance of auditors

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group, or any related entity, against a liability incurred by the auditor.

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

Auditor's independence declaration

The Auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 106.

Rounding of amounts

The consolidated entity is of a kind referred to in Instrument 2026/183, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off to the nearest thousand dollars in accordance with the Instrument, unless otherwise stated.

Signed in accordance with a resolution of directors.



James White McDowell AO
Director



Geoffrey Roland Rohrsheim
Director

Adelaide | 27 August 2026

Auditor's Independence Declaration

Australian National Audit Office

Mr Jim McDowell AO
Chairman of the Board
ASC Pty Ltd and its Controlled Entities
640 Mersey Road, Osborne SA 5017

ASC PTY LTD AND ITS CONTROLLED ENTITIES FINANCIAL REPORT 2025-26
AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of the ASC Pty Ltd and its controlled entities for the year ended 30 June 2026, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
(ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office



Sean Benfield
Senior Executive Director
Delegate of the Auditor-General

Canberra
27 August 2026

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Directors' Declaration

For the year ended 30 June 2026

The directors declare that, in their opinion:

(a) the consolidated financial statements and notes set out on pages 111 to 161 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the year ended on that date;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) the consolidated entity disclosure statement on page 162 to 163 is true and correct.

Note 20(a) confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of directors.



James White McDowell AO
Director



Geoffrey Roland Rohrsheim
Director

Adelaide | 27 August 2026

Independent Auditor's Report to the Members





INDEPENDENT AUDITOR'S REPORT

To the members of ASC Pty Ltd

Opinion

In my opinion, the financial report of ASC Pty Ltd (the Company) and its subsidiaries (together 'the Group') for the year ended 30 June 2026 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 performance for the year then ended; and

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

The financial report of the Group, which I have audited, comprises the following as at 30 June 2026 and for the year then ended:

- Consolidated Statement of Profit or Loss and Other Comprehensive income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Statement of Cash Flows;
- Notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information;
- Consolidated Entity Disclosure Statement; and
- Directors' Declaration.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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 my auditor's report thereon.

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

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

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

Directors' responsibility for the financial report

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

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

(b) the consolidated entity disclosure statement that is true and correct and in accordance with the *Corporations Act 2001*; and

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

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

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

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

Auditor's responsibilities for the audit of the financial report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Australian National Audit Office



Sean Benfield
Senior Executive Director
Delegate of the Auditor-General

Canberra
28 August 2026

ASC Pty Ltd
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	June 2026 $'000	June 2025 $'000
Revenue from contracts with customers	1(a)	**1,187,186**	936,116
Income from government grants	2(a)	**3,799**	30,263
Labour		**693,320**	531,936
Materials and subcontractors		**325,655**	258,362
Production consumables		**11,744**	5,037
Repairs and maintenance		**27,903**	19,552
Depreciation and amortisation	3(a)	**39,089**	35,688
Professional fees		**67,901**	42,463
Insurance		**9,897**	4,542
Lease expenses		**846**	1,649
Finance expenses	3(b)	**6,065**	6,278
Net foreign exchange (gains)/losses		**1,072**	429
Other expenses		**84,188**	49,194
Other income	3(c)	**(18,144)**	(10,578)
Total expenses and other income		**1,249,536**	944,552
Profit/(loss) before income tax		**(58,551)**	21,827
Income tax (expense)/benefit	4(a)	**16,711**	(5,992)
Profit/(loss) after income tax		**(41,840)**	15,835
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit pension plan		**(115)**	(58)
Income tax benefit/(expense) relating to these items	4(c)	**35**	17
Exchange differences on translation of foreign operations		**109**	(196)
Other comprehensive income/(loss) net of tax		**29**	(237)
Total comprehensive income/(loss) for the period		**(41,811)**	15,598
Profit/(loss) is attributable to: Owners of ASC Pty Ltd		**(41,840)**	15,835
Total comprehensive income/(loss) for the period is attributable to: Owners of ASC Pty Ltd		**(41,811)**	15,598

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Notes	June 2026 $'000	June 2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	**470,327**	190,909
Other financial assets	5(b)	**19,000**	181,000
Trade and other receivables	5(d)	**157,808**	226,622
Contract assets	1(b)	**9,670**	11,971
Other current assets		**14,134**	10,110
Total current assets		**670,939**	620,612
Non-current assets			
Property, plant and equipment	6(a)	**45,318**	41,532
Intangible assets	6(b)	**48,078**	33,192
ROU assets	6(c)	**120,337**	116,961
Deferred tax assets	4(d)	**72,205**	51,517
Other non-current assets		**1,343**	1,658
Total non-current assets		**287,281**	244,860
Total assets		**958,220**	865,472
LIABILITIES			
Current liabilities			
Trade and other payables	5(e)	**164,725**	108,502
Contract liabilities	1(b)	**61,732**	55,562
Other current liabilities	2(b)	**608**	4,150
Lease liabilities	5(f)	**21,006**	18,349
Provisions	6(d)	**80,393**	72,402
Advances	5(c)	**7,000**	7,000
Current tax liabilities		**1,592**	6,600
Total current liabilities		**337,056**	272,565
Non-current liabilities			
Lease liabilities	5(f)	**109,804**	108,429
Provisions	6(d)	**18,719**	14,161
Advances	5(c)	**38,994**	38,994
Non-interest-bearing liabilities		**136**	135
Total non-current liabilities		**167,653**	161,719
Total liabilities		**504,709**	434,284
Net assets		**453,511**	431,188
EQUITY			
Share capital	7(a)	**348,493**	274,859
Retained earnings		**105,105**	156,525
Reserves		**(87)**	(196)
Total equity		**453,511**	431,188

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

ASC Pty Ltd
Consolidated Statement of Changes in Equity
For the year ended 30 June 2026

Consolidated Statement of Changes in Equity

	Attributable to Owners of ASC Pty Ltd			
	Share capital $'000	Retained earnings $'000	Reserves $'000	Total equity $'000
Balance at 1 July 2024	**65,000**	**144,531**	**-**	**209,531**
Profit/(loss) for the period	-	15,835	-	15,835
Items of other comprehensive income recognised directly in equity:				
Remeasurement of defined benefit pension plan	-	(58)	-	(58)
Income tax benefit/(expense) relating to these items	-	17	-	17
Exchange differences on translation of foreign operations	-	-	(196)	(196)
Total comprehensive income/(loss) for the year	**-**	**15,794**	**(196)**	**15,598**
Transactions with owners in their capacity as owners:				
Dividends paid	-	(3,800)	-	(3,800)
Issuance of shares	209,859	-	-	209,859
Total transactions with owners	**209,859**	**(3,800)**	**-**	**206,059**
Balance at 30 June 2025	**274,859**	**156,525**	**(196)**	**431,188**
Balance at 1 July 2025	**274,859**	**156,525**	**(196)**	**431,188**
Profit/(loss) for the period	-	(41,840)	-	(41,840)
Items of other comprehensive income recognised directly in equity:				
Remeasurement of defined benefit pension plan	-	(115)	-	(115)
Income tax benefit/(expense) relating to these items	-	35	-	35
Exchange differences on translation of foreign operations	-	-	109	109
Total comprehensive income/(loss) for the year	**-**	**(41,920)**	**109**	**(41,811)**
Transactions with owners in their capacity as owners:				
Dividends paid	-	(9,500)	-	(9,500)
Issuance of shares	73,634	-	-	73,634
Total transactions with owners	**73,634**	**(9,500)**	**-**	**64,134**
Balance at 30 June 2026	**348,493**	**105,105**	**(87)**	**453,511**

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

Consolidated Statement of Cash Flows

	Notes	June 2026 $'000	June 2025 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax (GST))		**1,384,247**	1,239,343
Receipts from government grants (inclusive of GST)		**5,670**	47,677
Payments to suppliers and employees (inclusive of GST)		**(1,283,225)**	(1,301,958)
Interest expense relating to defined benefit pension plan		**(25)**	(91)
Income taxes paid		**(8,902)**	(15,475)
Net cash inflow/(outflow) from operating activities		**97,765**	(30,504)
Cash flows from investing activities			
Payments for property, plant and equipment	6(a)	**(13,728)**	(14,112)
Payments for software development costs	6(b)	**(24,687)**	(6,454)
Proceeds from sale of property, plant and equipment		**386**	148
Investment in other financial assets		**(223,000)**	(181,000)
Proceeds from maturity of other financial assets		**385,000**	-
Interest received		**18,742**	8,169
Net cash inflow/(outflow) from investing activities		**142,713**	(193,249)
Cash flows from financing activities			
Principal element of lease payments		**(19,113)**	(17,006)
Interest paid relating to leases		**(5,680)**	(5,748)
Proceeds from issuance of shares		**73,634**	209,859
Dividends paid	7(b)	**(9,500)**	(3,800)
Net cash inflow/(outflow) from financing activities		**39,341**	183,305
Net increase/(decrease) in cash and cash equivalents		**279,819**	(40,448)
Cash and cash equivalents at the beginning of the year		**190,909**	232,366
Effects of exchange rate changes on cash and cash equivalents		**(401)**	(1,009)
Cash and cash equivalents at the end of year	5(a)	**470,327**	190,909

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

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1. Revenue from contracts with customers and contract balances

(a) Revenue from contracts with customers

Material accounting policies – revenue from contracts with customers

Revenue is recognised when control of a good or service transfers to the customer and is measured as the amount (transaction price) that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

Revenue is recognised depending on the type of contract as described below.

TCE contracts

Revenue is traded on cost as it's incurred, while profit is based on a performance score against the contract and pain/gain formula based on cost. As the contract progresses and the profit estimates are refined, so is the value of the revenue to be recognised. Revenue is recognised over time as the customer receives and uses the benefits simultaneously.

The transaction price is based on fixed and variable components as follows:

- Fixed – determined based on contract targeted costs and not subject to changes due to performance criteria.
- Variable – components of the transaction price that vary based on the performance scores and pain/gain considerations set out in the contract, such as meeting targeted profit based on actual costs incurred.

The outcomes of the stipulated performance scores and pain/gain calculations are considered in relation to revenue and profit estimates. If the outcomes cannot be reliably estimated until late in the contract, no pain/gain is recognised until it is capable of reliable estimation.

Cost-reimbursable contracts

If costs are reimbursed progressively as they're incurred with no exposure to risk, then revenue and profit is traded on the costs as they are incurred.

Revenue is recognised based on all eligible reimbursable costs (transaction price) as part of the contract criteria over time as the costs are incurred by the Group, with continuous control transferred to the customer as services are provided.

Where costs are reimbursed from the customer on a periodic basis based on costs, revenue is recognised based on eligible and approved reimbursable costs (transaction price) for the period as part of the contract criteria at a point in time. Requirements related to the performance of the contract are determined by the customer in advance and once the requirements are determined, they are not subject to change.

In the situation where costs incurred by the Group are not eligible for reimbursement from the customer, these costs are recognised in profit or loss in the period in which they are incurred.

Survey and quote (S&Q) contracts

S&Q contracts cover ad-hoc services or special services delivered outside the scope of a primary contract. Work performed is provided progressively over time to the customer. Revenue and profit are recognised on the costs as they are incurred, with continuous control transferred to the customer as services are provided.

If the customer is obliged to make payment on completion and delivery, revenue recognition will be deferred until the end of the contract.

Service contracts

The extent of services to be provided under a contract is assessed to determine the number of performance obligations and the period over which the performance obligations will be completed. The cost of delivery is determined for each performance obligation at the contract's inception, with revenue and profit being recognised on the cost as it's incurred, over the period the performance obligations are satisfied.

Where there are multiple deliverables, the transaction price will be allocated to each of the deliverables based on the standalone pricing, or – where the standalone pricing is not able to be directly observed – an estimate will be used, based on the expected costs to be incurred.

For services revenue that is recognised over time, if estimates surrounding revenue, project costs and progress towards completion are revised due to a change in circumstances, a resultant increase or decrease in the estimated revenues or costs is reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For services revenue that is recognised at a point in time, revenue is recognised when the inventory is acquired, and legal title has passed to the customer.

Critical accounting judgements, estimates and assumptions – revenue from contracts with customers

Critical judgement required to identify performance obligations in a contract

The Group undertakes many long-term contracts. Accounting for these requires assumptions and estimates to be made in relation to each contract's stage of completion and expected outcome.

The majority of the Group's contracts have a single performance obligation, as the promise to transfer the individual good or service is not separately identifiable from other promises in the contracts. For contracts with multiple performance obligations, the Group allocates the contract's transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct good or service in the contract.

Critical judgements, estimates and assumptions, estimate-at-completion (EAC) process

The Group has an EAC process in which management reviews the progress and completion of performance obligations. As part of this process, management reviews information including, but not limited to: any outstanding key contract matters; progress towards completion and the related program schedule; identified risks and opportunities; and the related changes in revenue and cost estimates. The risks and opportunities include management's judgement about the ability and cost to achieve the schedule, technical requirements and other contract requirements.

Due to the nature of the work required to complete many of the Group's performance obligations, estimating total revenue and costs at completion is complex, subject to variables and requires judgement. It's common for long-term contracts to contain performance and incentive fees, or other provisions that may increase or decrease the transaction price. These variable amounts are generally awarded upon achievement of certain performance metrics, program milestones or cost targets and can be based upon customer discretion. The Group estimates the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

The Group predominantly recognises revenue over time, representing the continuous transfer of control to the customer. The Group uses costs incurred to date, relative to total EAC, to measure progress towards satisfying performance obligations. Incurred costs represent work performed which corresponds with, and best depicts, the transfer of control to the customer. Contract costs include labour, materials, subcontractor costs and overheads.

EAC process – CCSM ISSC program revenue recognition

In accounting for revenue recognition for the CCSM ISSC, the following are periodically reviewed by management throughout the term of the contract, on both a year-to-date and contract-term basis: actual costs incurred; actual and forecast key performance indicator scores; and pain/gain calculations.

Adjustments will be made to revenue recognised if there are circumstances which indicate an increase or decrease resulting from meeting performance scores. Adjustments are recognised in profit or loss in the period in which the circumstances change.

EAC process – CCSM LOTE program revenue recognition

In accounting for revenue recognition for the LOTE contract, management periodically reviews the following throughout the term of the contract, on both a year-to-date and contract-term basis: actual costs incurred; progress towards completion of program schedule; risks and opportunities; and estimated total contract revenue and costs.

Adjustments are made to revenue recognised over the contract timeframe if there are changes in circumstances, or changes in actual or estimated costs for the remaining contract timeframe. Adjustments are recognised in profit or loss in the period in which the changes occur.

EAC process – SSN Sustainment program revenue recognition

In accounting for revenue recognition for the SSN Sustainment contract, management periodically reviews the following throughout the term of the contract, on both a year-to-date and contract-term basis: actual costs incurred; risks and opportunities; and estimated total contract revenue and costs.

Adjustments are made to revenue recognised over time if there are changes in circumstances, or changes in actual or estimated costs for the remaining contract timeframe. Adjustments are recognised in profit or loss in the period in which the changes occur.

EAC process – SSN-AUKUS Mobilisation program revenue recognition

In accounting for revenue recognition for the SSN-AUKUS Build mobilisation, management periodically reviews the following throughout the term of the contract, on both a year-to-date and contract-term

basis: actual costs incurred; completion of deliverable milestones; risks and opportunities; and estimated total contract revenue and costs.

Adjustments are made to revenue recognised over time if there are changes in circumstances, or changes in actual or estimated costs for the remaining contract timeframe. Adjustments are recognised in profit or loss in the period in which the changes occur.

Disaggregation from contracts with customers

	June 2026 $'000			June 2025 $'000		
	Over time	At a point in time	Current year	Over time	At a point in time	Prior year
TCE contracts	**447,305**	**-**	**447,305**	407,147	-	407,147
Cost-reimbursable contracts	**2,343**	**-**	**2,343**	16,133	-	16,133
S&Q contracts	**390,745**	**-**	**390,745**	284,876	-	284,876
Services contracts	**186,808**	**159,985**	**346,793**	102,328	125,632	227,960
	1,027,201	**159,985**	**1,187,186**	810,484	125,632	936,116

(b) Contract assets and liabilities

Material accounting policies – contract assets and liabilities

The recognition of contract assets and liabilities on the Consolidated Statement of Financial Position is dependent on the timing of revenue recognised and contractual billing terms. Contract assets and liabilities are presented net when they relate to the same contract with a customer and the Group expects to recognise the impacts through profit or loss over the remaining contractual term.

Contract assets

The balance of contract assets represents amounts to be billed subsequent to revenue recognition. These amounts are billed as work in progress in accordance with agreed contractual terms at periodic intervals or upon achievement of contractual milestones.

Contract assets disclosed in the Consolidated Statement of Financial Position are recognised net of a loss allowance for lifetime expected credit losses.

Contract liabilities

The balance of contract liabilities represents advances received, progress billings received in advance of the performance of contract activities, labour over recoveries and program loss provision.

Disaggregation of contract assets and liabilities

The Group has recognised the following assets and liabilities related to contracts with customers:

	June 2026 $'000	June 2025 $'000
Contract assets		
MCS	**9,670**	11,325
SSN-AUKUS Transition	**-**	646
Shipbuilding	**-**	-
	9,670	11,971
Contract liabilities		
MCS	**59,923**	49,410
SSN-AUKUS Transition	**1,809**	4,052
Shipbuilding	**-**	2,100
	61,732	55,562

Revenue recognised in the reporting period that was included in the contract liability at the beginning of the period:

	June 2026 $'000	June 2025 $'000
TCE	**12,086**	17,562
Fixed-price contract	**2,000**	-
S&Q contract	**4,286**	-
Services contract	**167**	-
	18,539	17,562

(c) Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from the following contracts:

	June 2026 $'000	June 2025 $'000
MCS	**1,654,199**	2,116,282
SSN-AUKUS Transition	**204,378**	53,549
	1,858,577	2,169,831

Management expects that 61% of the transaction price allocated to the unsatisfied contracts as at 30 June 2026 (2025: 43%) will be recognised as revenue during the next reporting period, with the remaining 39% (2025: 57%) being recognised beyond the next reporting period.

2. Government grants

(a) Income from government grants

Material accounting policies – income from government grants

The Group recognised income from government grants in relation to SSTP contract services. Government grants are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a systematic basis over the periods in which the Group recognises expenditure for which the grant is intended to compensate.

	June 2026 $'000	June 2025 $'000
Income from government grants – SSTP	**3,799**	30,263

(b) Other current liabilities

Material accounting policies – deferred government grants

Government grants which are received in advance of the Group incurring the related expenditure are deferred and recognised in the Consolidated Statement of Financial Position when the grant is received.

	June 2026 $'000	June 2025 $'000
Deferred government grants – SSTP	**608**	4,150

3. Other income and expense Items

Items included in profit before income tax:

(a) Depreciation and amortisation

	June 2026 $'000	June 2025 $'000
Plant and equipment	**9,262**	7,219
Intangible assets	**9,792**	9,860
ROU assets	**19,791**	18,365
Contribution to Henderson Common User Facility (CUF)	**244**	244
	39,089	35,688

(b) Finance expenses

	June 2026 $'000	June 2025 $'000
Interest expense relating to leases	**5,681**	5,748
Interest expense relating to defined benefit	**25**	91
Bank charges	**359**	439
	6,065	6,278

(c) Other income

Material accounting policies – interest income

Interest income on financial assets measured at amortised cost is recognised in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the asset's net carrying amount, after deducting the loss allowance.

	June 2026 $'000	June 2025 $'000
Interest income	**17,310**	9,896
Profit/(loss) on sale of assets	**(302)**	148
Other income	**1,136**	534
	18,144	10,578

4. Income tax

Material accounting policies – income tax

Accounting for income tax

The income tax expense (or benefit) for the period is the tax payable (or receivable) on the current period's taxable income (or loss), based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is 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. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent it is probable that future taxable income will be available, against which the Group may utilise those temporary differences and losses. Deferred tax assets are reduced to the extent that it is no longer probable that future taxable income will be available.

Deferred tax liabilities and assets are not recognised for temporary differences between the tax base and carrying amount of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences, and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset, and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation

The head entity, ASC Pty Ltd, and its wholly owned Australian resident subsidiaries have formed an income tax consolidated group under tax consolidation legislation since 1 July 2002. Consequently, these entities are taxed as a single entity and their deferred tax assets and liabilities are set off in the Consolidated Statement of Financial Position.

In addition to its own current and deferred tax amounts, the Group also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax-consolidated entities are recognised as amounts receivable from, or payable to, other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax-consolidated entities.

Critical accounting judgements, estimates and assumptions – recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable the future taxable profit will be available to utilise those temporary differences.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

(a) Income tax expense

	June 2026 $'000	June 2025 $'000
Current tax expense		
Current year	**2,721**	8,667
Adjustments for prior years	**1,280**	175
Total current tax expense	**4,001**	8,842
Deferred income tax		
Temporary differences arising during the year	**(20,250)**	(2,954)
Adjustment for prior years deferred tax	**(462)**	104
Total deferred tax expense/(benefit)	**(20,712)**	(2,850)
Income tax expense	**(16,711)**	5,992
Income tax expense/(benefit) attributable to profit from continuing operations	**(16,711)**	5,992

(b) Reconciliation of income tax expense

	June 2026 $'000	June 2025 $'000
Profit/(loss) from continuing operations before income tax expense	**(58,551)**	21,829
Tax at the Australian tax rate of 30.0% (2025: 30.0%)	**(17,565)**	6,549
Tax effect of amounts which are tax deductible in calculating taxable income:		
Non-deductible/(non-assessable) amounts	**299**	(860)
Impact of Foreign Tax Rates and FX translation	**(263)**	24
Subtotal	**(17,529)**	5,713
Adjustments for current tax of prior periods	**818**	279
Income tax expense/(benefit)	**(16,711)**	5,992

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss but directly debited or credited to equity.

	June 2026 $'000	June 2025 $'000
Items of other comprehensive income recognised directly in retained earnings		
Deferred tax (benefit)/expense: remeasurement of defined benefit asset	**(35)**	(17)
Items of other comprehensive income recognised directly in Foreign Currency Translation Reserves		
Retranslation of foreign operations	**(109)**	196
Net deferred tax	**(35)**	(17)

(d) Net deferred tax

Net position as presented in the Consolidated Statement of Financial Position:

	June 2026 $'000	June 2025 $'000
Net deferred tax		
Deferred tax assets	**108,710**	87,251
Deferred tax liabilities	**(36,505)**	(35,734)
	72,205	51,517

(e) Deferred tax assets

	June 2026 $'000	June 2025 $'000
The balance comprises temporary differences attributable to:		
Lease liabilities	**38,810**	38,033
Employee benefits	**27,994**	24,188
Contract balances	**12,268**	13,604
Property, plant and equipment	**1,659**	1,202
Intangible assets	**2,404**	3,662
Tax losses	**17,158**	-
Sundry items	**8,417**	6,562
	108,710	87,251

Movement in deferred tax assets

	Lease liabilities $'000	Employee benefits $'000	Contract balances $'000	Property, plant and equipment $'000	Intangible assets $'000	Tax losses $'000	Sundry items $'000	Total $'000
Balance at 1 July 2024 Charged/ (credited) to:	40,175	20,721	14,512	855	4,921	-	5,715	**86,899**
Profit or loss	(2,142)	3,458	(908)	347	(1,259)	-	847	**343**
Equity	-	9	-	-	-	-	-	**9**
Balance at 30 June 2025 Charged/ (credited) to:	38,033	24,188	13,604	1,202	3,662	-	6,562	**87,251**
Profit or loss	777	3,864	(1,336)	457	(1,258)	17,158	1,855	**21,517**
Equity	-	(58)	-	-	-	-	-	**(58)**
Balance at 30 June 2026	**38,810**	**27,994**	**12,268**	**1,659**	**2,404**	**17,158**	**8,417**	**108,710**

Deferred tax liabilities

	June 2026 $'000	June 2025 $'000
The balance comprises temporary differences attributable to:		
ROU assets	**35,714**	35,088
Defined benefit pension plan	**142**	168
Contract balances	**649**	478
	36,505	35,734

Movement in deferred tax liabilities

	ROU assets $'000	Defined benefit pension plan $'000	Contract balances $'000	Sundry items $'000	Total $'000
Balance at 1 July 2024 Charged/(credited) to:	37,638	175	-	445	**38,258**
Profit or loss	(2,550)	10	478	(445)	**(2,507)**
Equity	-	(17)	-	-	**(17)**
Balance at 30 June 2025 Charged/(credited) to:	35,088	168	478	-	**35,734**
Profit or loss	626	9	171	-	**805**
Equity	-	(35)	-	-	**(35)**
Balance at 30 June 2026	**35,714**	**142**	**649**	**-**	**36,505**

5. Financial assets and liabilities

Material accounting policies – financial assets

Financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date (the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value, less any expected credit losses, plus (in the case of a financial asset not at fair value through profit or loss) transaction costs directly attributable to the asset's acquisition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Impairment

The Group measures the expected credit losses of its financial assets from the moment of its acquisition and throughout the life of the financial asset. Expected credit losses are a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate. The amount of impairment loss is recognised in profit or loss within other expenses. If, in a subsequent period, the amount of the expected credit loss decreases, and the decrease can be related objectively to an event occurring after the expected credit loss was recognised, the reversal of the previously recognised expected credit loss is recognised in profit or loss.

Fair value hierarchy

The Group has several assets and liabilities that aren't measured at fair value, but for which fair values are disclosed in the notes.

The carrying values for trade and other receivables, trade and other payables, advances and non-interest-bearing liabilities approximate their fair values.

The Group recognised an asset (2025: asset) within other non-current assets in respect of a defined benefit superannuation plan. The asset is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The defined-benefit obligation is calculated annually by an independent actuary using the projected-unit-credit method.

(a) Cash and cash equivalents

Material accounting policies – cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents include:

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

Cash and cash equivalents are measured at amortised cost.

Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

Included in cash and cash equivalents are amounts advanced to the Group by the CoA for the purpose of funding SSTP working capital requirements. The amount advanced has certain contractual restrictions placed on the use of these funds. The funds maintained may only be applied to the direct project for which they were advanced, for expenditure incurred and claims for reimbursement from the CoA. The amount that exceeds the value of the direct project expenditure incurred and unbilled as at balance date is defined as restricted cash.

Also included in cash and cash equivalents are amounts advanced to the Group by the CoA for the purpose of the Company's DTP. The amount that will be released upon achievement of future implementation milestones, and subsequent CoA approval of those milestone acquittal statements, is defined as restricted cash.

At 30 June 2026, the balance of restricted cash was $45.6m (2025: $43.4m).

	June 2026 $'000	June 2025 $'000
Cash at bank and on hand	**470,327**	171,909
Other income and cash equivalents	**-**	19,000
	470,327	190,909

(b) Other financial assets

Material accounting policies – other financial assets

For the purposes of presentation in the Consolidated Statement of Cash Flows, other financial assets include investments with original maturities of greater than three months, that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

	June 2026 $'000	June 2025 $'000
Other financial assets	**19,000**	181,000
	19,000	181,000

(c) Advances

Material accounting policies – advances

Advances are initially recognised at fair value and subsequently measured at amortised cost. Working capital advances are removed from the Consolidated Statement of Financial Position when the program obligations specified in the contract are discharged, cancelled or expire.

Advances are classified as current liabilities on the Consolidated Statement of Financial Position, unless the Group has the right at the end of the reporting period to defer the liability's settlement for at least 12 months after the reporting period.

	June 2026 $'000	June 2025 $'000
Government advances	**45,994**	45,994
	45,994	45,994

SSTP advance

As at 30 June 2026, the SSTP advance balance was $7m (2025: $7m). The advance can only be used for direct SSTP project costs and was paid by the CoA in Australian dollars. The interest income from the advance accrues to the benefit of the CoA and will be deducted against invoiced direct project costs. The advance will be repaid in the next financial year, subsequent to the end of the contract term and the financial year true-up. It is therefore classified as current on the Consolidated Statement of Financial Position.

DTP advance

Advances are provided by the CoA for the development of intangible assets. These advances reduce the directly attributable costs capitalised as part of the intangible asset upon meeting program obligations.

As at 30 June 2026, the balance of the advance was $39m (2025: $39m). The advance can only be used for DTP implementation and was paid by the CoA in Australian dollars. During the year ended 30 June 2026 no amount (2025: no amount) of the advance was released upon achievement of DTP implementation milestones. The remaining balance is held as a non-current advance and will be released upon the achievement of two further implementation milestones and subsequent CoA approval of the milestone acquittal statements.

(d) Trade and other receivables

Material accounting policies – trade and other receivables

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they're recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore subsequently measures them at amortised cost using the effective-interest method, less any loss allowance. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

	June 2026 $'000	June 2025 $'000
Trade receivables		
Trade receivables	**121,306**	200,926
	121,306	200,926
Other receivables		
Accrued revenue	**35,466**	22,429
Other receivables	**460**	1,259
Interest receivable	**576**	2,008
	36,502	25,696
Total trade and other receivables	**157,808**	226,622

(e) Trade and other payables

Material accounting policies – trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective-interest method.

	June 2026 $'000	June 2025 $'000
Trade payables		
Trade payables	**53,044**	31,410
Accrued expenses	**107,383**	69,839
GST payable	**4,298**	7,253
	164,725	108,502

(f) Leases

Material accounting policies – lease liabilities and ROU assets

At the start of a contract, the Group determines whether a contract is, or contains, a lease. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices.

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

The Group depreciates the ROU asset on a straight-line basis from the lease commencement date to either the end of the useful life of the ROU asset or the end of the lease term, whichever occurs earlier. The Group also assesses the ROU asset for impairment when potential impairment indicators exist.

Lease payments included in the measurement of the lease liability include: fixed payments (including in substance fixed), less any lease incentives receivable; variable payments that are dependent on an index or rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee or early termination clause, if the early termination is reasonably expected; and payments arising from options reasonably certain to be exercised. Lease payments to be made under reasonably certain extension options are also included in liability measurement.

The Group measures the lease liability at the net present value of the lease payments, discounted using the interest rate implicit in the lease if that rate is readily available, or the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected against the ROU asset, or – if the ROU asset is already reduced to zero – profit or loss.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the ROU asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining lease liability balance for each period.

For short-term leases and leases of low-value assets, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term, instead of recognising a ROU asset and lease liability. Short-term leases are those with a term of 12 months or less. Low-value leases comprise various computer and other equipment.

Critical accounting judgements, estimates and assumptions – lease liabilities and ROU assets

Critical judgement required to determine the lease term

In determining the lease term, management applies judgement to determine whether an option would be reasonably certain to be exercised. Management considers all facts and circumstances, including past practice and any costs that would reasonably be incurred to replace the asset, should a lease extension option not be taken. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Critical estimate – incremental borrowing rates

The present value of lease payments is discounted using the Group's incremental borrowing rate. This rate represents the Group's overdraft facility interest rate, which would be the rate that the Group would have to pay to borrow over a similar term, and with similar security, the funds to obtain an asset of similar value to the leased asset in a similar economic environment.

	June 2026 $'000	June 2025 $'000
Lease liabilities – unsecured		
Current	**21,006**	18,349
Non-current	**109,804**	108,429
	130,810	126,778

The total cash outflow for leases in the year ended 30 June 2026 was $24.8m (2025: $22.8m).

6. Non-financial assets and liabilities

(a) Property, plant and equipment

Material accounting policies – property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the asset's acquisition. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it's probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are recognised in profit or loss in the period in which they're incurred.

Depreciation of assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, which range between one and 20 years.

Assets are tested 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.

Gains and losses on assets' disposal are determined by comparing proceeds with carrying amounts and are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

	June 2026 $'000	June 2025 $'000
Plant and equipment		
Cost	**91,841**	85,786
Accumulated depreciation	**(63,570)**	(60,095)
	28,271	25,691
Computer software and equipment		
Cost	**44,253**	42,157
Accumulated depreciation	**(33,448)**	(31,912)
	10,805	10,245
Leasehold improvements		
Cost	**10,551**	8,780
Accumulated depreciation	**(4,395)**	(3,285)
	6,156	5,495
Assets under construction		
Cost	**86**	101
	86	101
Total property, plant and equipment		
Cost	**146,731**	136,824
Accumulated depreciation	**(101,413)**	(95,292)
	45,318	41,532

Movement in property, plant and equipment

	Plant and equipment $'000	Computer software and equipment $'000	Leasehold improvements $'000	Assets under construction $'000	Total $'000
Year ended 30 June 2025					
Opening net book amount	20,217	7,988	4,338	2,323	34,866
Additions	7,578	4,926	1,583	25	14,112
Transfers	943	640	437	(2,020)	-
Reclassification from property, plant and equipment to intangible assets	-	-	-	(227)	(227)
Reclassification from intangible assets to property, plant and equipment	-	-	-	-	-
Depreciation	(3,047)	(3,309)	(863)	-	(7,219)
Disposals	-	-	-	-	-
Closing net book amount	**25,691**	**10,245**	**5,495**	**101**	**41,532**
Year ended 30 June 2026					
Opening net book amount	25,691	10,245	5,495	101	41,532
Additions	6,892	5,023	1,771	42	13,728
Transfers	57	-	-	(57)	-
Reclassification from property, plant and equipment to intangible assets	-	-	-	-	-
Reclassification from intangible assets to property, plant and equipment	-	9	-	-	9
Depreciation	(3,680)	(4,472)	(1,110)	-	(9,262)
Disposals	(689)	-	-	-	(689)
Closing net book amount	**28,271**	**10,805**	**6,156**	**86**	**45,318**

(b) Intangible assets

Material accounting policies – intangible assets

Impairment

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Irrespective of whether there is any indication of impairment, intangible assets with indefinite useful lives, or that aren't yet available for use, are tested for impairment annually, by comparing their carrying and recoverable amounts.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash

inflows from other assets or groups of assets (cash-generating units). Non-financial assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Software – DTP

Development costs that are directly attributable to the design and testing of identifiable and unique software assets controlled by the Group are recognised as an intangible asset when:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the intangible asset include employee costs and contractor costs. Capitalised costs are presented net of the DTP advance when released and approved by the CoA. Upon achievement of DTP implementation milestones and subsequent CoA approval of the milestone acquittal statements, the advance is reclassified from liabilities to an offset against the DTP intangible asset, on the basis that the obligation has been settled.

Research and development expenditure that does not meet the criteria above is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Costs associated with maintaining software programs are recognised as an expense as incurred.

Subsequent to the development and implementation phases, and when the software is ready for use, capitalised development costs, net of the DTP advance received which has been released, will be amortised on a straight-line basis over its expected useful life of five years.

Software – Software as a Service (SaaS)

Customisation and configuration costs in relation to SaaS cloud-based software have been expensed as incurred when the Group does not have the ability to customise or modify the software and does not have control of these applications through exclusive rights or ownership of the intellectual property.

Ongoing SaaS subscription costs are recognised as an expense as incurred, similar to a service contract.

Critical accounting judgements, estimates and assumptions – accounting for the DTP

Critical judgement required to identify the transition from the research phase to the development and implementation phase

Judgement is applied in determining the transition point from the research phase to the development phase. The Group has considered the adequacy of financial and other resources to complete the development as a key factor in determining the transition point.

This judgement is significant to the financial statements as it directly impacts DTP costs' accounting treatment.

Costs incurred during DTP development and implementation phases are capitalised if the 'intangible asset' definition is met. Costs capitalised by the Group can be reliably measured, are directly attributable to the DTP and are incurred during the development and implementation phases. Examples of development and implementation costs include labour hours and contractor services received directly in relation to a software asset's development and implementation.

Critical judgement required to appropriately account for costs incurred in the development and implementation phase

Judgement is required during the analysis of costs incurred in development and implementation phases, including configuration and customisation costs, which are analysed to determine the appropriate accounting treatment. The exercise of judgement requires a detailed understanding of certain technical aspects of the associated costs and the DTP. If there is a level of control, and the capitalisation criteria under accounting standards is met, it is recognised as an asset and capitalised to the Consolidated Statement of Financial Position. Costs that do not meet the capitalisation criteria are expensed to profit or loss in the period in which they're incurred.

	June 2026 $'000	June 2025 $'000
Internally generated		
Cost	**46,002**	46,002
Accumulated amortisation	**(29,172)**	(20,538)
	16,830	25,464
Computer software		
Cost	**6,598**	4,966
Accumulated amortisation	**(4,546)**	(3,388)
	2,052	1,578
Work in progress		
Cost of assets under development and implementation	**29,196**	6,150
	29,196	6,150
Total intangible assets		
Cost	**81,796**	57,118
Accumulated amortisation	**(33,718)**	(23,926)
	48,078	33,192

Movement in intangible assets

	Internally generated $'000	Computer software $'000	Work in progress $'000	Total $'000
Year ended 30 June 2025				
Opening net book amount	34,099	2,272	-	36,371
Additions	-	304	6,150	6,454
Reclassification from intangible assets to property, plant and equipment	-	-	-	-
Reclassification from property, plant and equipment to intangible assets	-	227	-	227
Amortisation	(8,635)	(1,225)	-	(9,860)
Closing net book amount	**25,464**	**1,578**	**6,150**	**33,192**
Year ended 30 June 2026				
Opening net book amount	25,464	1,578	6,150	33,192
Additions	-	1,641	23,046	24,687
Reclassification from intangible assets to property, plant and equipment	-	(9)	-	(9)
Reclassification from property, plant and equipment to intangible assets	-	-	-	-
Amortisation	(8,634)	(1,158)	-	(9,792)
Closing net book amount	**16,830**	**2,052**	**29,196**	**48,078**

During the year ended 30 June 2026, the Group spent $0.0m (2025: $1.3m) on research and development expenditure, recognised as an expense, relating to the DTP.

At 30 June 2026, the Group undertook an impairment assessment on the work in progress intangible asset in line with the accounting standards requirement. No impairment was identified. In addition, a reasonable change in the discount rate assumption would not result in an impairment. Sensitivity analyses were based on a change in the discount rate assumption, while holding all other assumptions constant.

(c) ROU assets

	June 2026 $'000	June 2025 $'000
Land		
Cost	**31,346**	31,641
Accumulated depreciation	**(13,478)**	(11,963)
	17,868	19,678
Buildings		
Cost	**198,208**	177,854
Accumulated depreciation	**(97,370)**	(82,784)
	100,838	95,070
Plant and equipment		
Cost	**3,340**	3,889
Accumulated depreciation	**(1,709)**	(1,676)
	1,631	2,213
Total ROU assets		
Cost	**232,894**	213,384
Accumulated depreciation	**(112,557)**	(96,423)
	120,337	116,961

Movement in ROU assets

	Land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
Year ended 30 June 2025				
Opening net book amount	21,185	101,327	2,947	125,459
Additions	-	-	-	-
Remeasurements	599	9,268	-	9,867
Depreciation	(2,106)	(15,525)	(734)	(18,365)
Closing net book amount	**19,678**	**95,070**	**2,213**	**116,961**
Year ended 30 June 2026				
Opening net book amount	19,678	95,070	2,213	116,961
Additions	-	22,959	79	23,038
Remeasurements	279	(150)	-	129
Depreciation	(2,089)	(17,041)	(661)	(19,791)
Closing net book amount	**17,868**	**100,838**	**1,631**	**120,337**

(d) Provisions

Material accounting policies – provisions

Recognition of a provision

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation resulting from a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the reporting period in which the employees render the related services, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee obligations are presented within trade and other payables.

Other long-term employee benefit obligations

The Group has liabilities for long-service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are recognised in provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currency that match, as closely as possible, the estimated future cash outflows. Remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Material accounting policies – employee benefits, including on-costs

The current portion includes all unconditional additional leave, annual leave and long-service leave entitlements, including on-costs, where employees have completed the required period of service, and also those where employees are entitled to pro-rata payments in certain circumstances.

The current portion includes the entire amount that the Group does not have an unconditional right to defer settlement of for at least 12 months after the reporting date.

The non-current portion represents the present value of the estimated future cash outflows of long-service leave where there is no probability that the Group could have to pay out the provision within the next 12 months.

Based on past experience, the Group does not expect all employees to take the full amount of current accrued leave or require payment within the next 12 months.

	June 2026 $'000	June 2025 $'000
Leave obligations expected to be settled after twelve months	**48,313**	46,242

Material accounting policies – self-insured workers compensation

The Group self-insures for risks associated with workers compensation for all employees in SA. Outstanding claims are recognised when an incident occurs that may give rise to a claim. They are measured at the cost that the Group expects to incur in settling the claims, discounted using a rate that reflects current market assessments of the time value of money and risks specific to the liability. The provision is based on an actuarial assessment.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the recovery receivable is recognised as an asset when it is probable that the recovery will be received and is measured on a basis consistent with the measurement of the related provision.

In the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the expense recognised in respect of a provision is presented net of any recoveries.

In the Consolidated Statement of Financial Position, the provision is recognised net of a receivable for recoveries when the Group has a legally recognised right to offset the recovery receivable and the provision, and intends to settle on a net basis, or to realise the asset and settle the provision simultaneously.

	June 2026 $'000			June 2025 $'000		
	Current	Non-current	Total	Current	Non-current	Total
Employee benefits, including on costs	78,685	14,723	**93,408**	69,709	10,696	80,405
Self-insured workers compensation	1,708	3,996	**5,704**	2,693	3,465	6,158
	80,393	**18,719**	**99,112**	72,402	14,161	86,563

7. Equity

(a) Share capital

Material accounting policies – ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of, and amounts paid on, shares held.

On a show of hands, every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital; $348.5m of shares issued as at 30 June 2026 (2025: $274.9m) have been fully paid.

	Number of shares '000	Amount $'000
Year ended 30 June 2025		
Opening balance 1 July 2024	65,000	65,000
Shares issued	209,859	209,859
Balance 30 June 2025	**274,859**	**274,859**
Year ended 30 June 2026		
Opening balance 1 July 2025	274,859	274,859
Shares issued	73,634	73,634
Balance 30 June 2026	**348,493**	**348,493**

The Company was provided with an equity contribution of $45.3 million on 30 September 2025 and $28.3m on 31 March 2026 under the EFA. In exchange, the Company issued an equivalent value of new ordinary shares to the CoA.

(b) Dividends

Material accounting policies – dividends

All dividends declared were paid out of retained earnings.

	June 2026 $'000	June 2025 $'000
Final dividend for the year ended 30 June 2025 of 3.5 cents (2024: 5.8 cents) per fully paid share, paid on 30 October 2025	**9,500**	3,800

The directors have not declared a dividend in respect of the year ended 30 June 2026.

Dividend franking account

	June 2026 $'000	June 2025 $'000
Class C (30%) franking credits	**270,864**	272,854

The above available amounts are based on the balance of the dividend franking account at year-end, adjusted for franking credits that:

- will arise from the payment of the amount of the provision for income tax;
- will arise from the receipt of dividends recognised as receivables at year-end; and
- the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.



8. Cash flow information

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

	June 2026 $'000	June 2025 $'000
Profit/(loss) after income tax	**(41,840)**	15,835
Adjustment for		
Depreciation	**39,089**	35,688
Interest received	**(18,742)**	(8,169)
Interest expense	**5,706**	5,839
Non-cash pension asset expense	**(30)**	(40)
Loss allowance recognised	**-**	(3,598)
(Profit)/loss on sale of assets	**302**	(148)
Other	**(587)**	3,913
Net exchange differences	**1,072**	429
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**68,814**	(120,600)
(Increase)/decrease in contract assets	**2,301**	(1,962)
(Increase)/decrease in other current assets	**(4,024)**	(5,288)
(Increase)/decrease in deferred tax assets	**(20,688)**	(2,876)
Increase/(decrease) in trade and other payables	**56,223**	19,057
Increase/(decrease) in contract liabilities	**6,170**	32,007
Increase/(decrease) in other current liabilities	**(3,542)**	(7,256)
Increase/(decrease) in provisions	**12,549**	13,290
Increase/(decrease) in current tax liability	**(5,008)**	(6,625)
Net cash inflow/(outflow) from operating activities	**97,765**	(30,504)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Advances $'000	Lease liabilities $'000	Non-interest bearing liabilities $'000	Total $'000
Balance at 1 July 2024	45,994	133,917	135	180,046
Additions	-	-	-	-
Remeasurements	-	9,867	-	9,867
Net financing cash flows	-	(17,006)	-	(17,006)
Non-cash changes	-	-	-	-
Balance at 30 June 2025	**45,994**	**126,778**	**135**	**172,907**
Balance at 1 July 2025	45,994	126,778	135	172,907
Additions	-	23,017	-	23,017
Remeasurements	-	128	-	128
Net financing cash flows	-	(19,113)	-	(19,113)
Non-cash changes	-	-	1	1
Balance at 30 June 2026	**45,994**	**130,810**	**136**	**176,940**

9. Financial and capital risk management

Financial risk management

The Group's activities expose it to a variety of financial risks. This note presents information about that exposure, the Group's objectives, policies and processes for measuring and managing risk, and its management of capital.

The ASC Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has charged its Audit Committee with responsibility for overseeing how management monitors compliance with the Group's financial risk management policies and procedures. It also reviews the adequacy of the Group's financial risk management framework. The Audit Committee is assisted in its oversight role by Group Internal Audit, which regularly reviews financial risk management controls and procedures and reports back to the Audit Committee.

The Board has also established the BASC, which is responsible for the oversight of risks. Both committees report regularly to the Board on their activities.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's receivables from customers and investment securities.

Cash and cash equivalents and other financial assets

The Group limits its exposure to credit risk by only investing in liquid investments with counterparties that have a credit rating of at least A3 aligned to external credit rating company Moody's. The Group also has policies that limit the amount of credit exposure to any one financial institution based on their credit rating. The lower the independent credit rating, the lower the credit exposure allowed. Given this approach, ASC management does not expect any counterparty to fail to meet its obligations.

Trade and other receivables

The group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables and contract assets.

The Group's credit exposures to customers – including trade and other receivables, and contract assets – are substantially from the CoA, which has a credit rating of Aaa per external credit rating company Moody's.

Guarantees

Credit risk arises in relation to financial guarantees given to certain parties (see note 12 for details). Such guarantees are issued in accordance with the Group's corporate management policies and are only provided to support a financial or commercial arrangement.

Recognised financial instruments

	June 2026 $'000	June 2025 $'000
A3 or higher rated cash at bank, term deposits and interest receivable		
Cash at bank and on hand	**470,327**	190,909
Other financial assets	**19,000**	181,000
Interest receivable	**576**	2,008
	489,903	373,917
Trade and other receivables		
Counterparties with external credit rating Aaa (CoA)	**156,686**	222,256
Credit rating not determined	**546**	2,358
Total trade and other receivables	**157,232**	224,614
Contract assets		
Counterparties with external credit rating Aaa (CoA)	**9,670**	6,244
Credit rating not determined	**-**	-
Total contract assets	**9,670**	**6,244**

The credit risk on Group financial assets that are recognised on the Consolidated Statement of Financial Position is the carrying amount, net of any loss allowance provisions as summarised above.

The Group receives a substantial portion of its funding from the CoA, which has a Moody's credit rating of Aaa. Therefore, the Group has immaterial exposure to credit risk in its operations.

Ageing profile

Trade and other receivables	June 2026		June 2025	
	Gross carrying amount $'000	Effective loss rate	Gross carrying amount $'000	Effective loss rate
Not past due	156,928	0.00%	218,168	0.00%
Past due 1-30 days	-	0.00%	6,839	0.00%
Past due 31-60 days	324	0.00%	335	0.00%
Past due 61-90 days	353	0.00%	-	0.00%
Past due 90+ days	203	0.00%	1,280	0.00%
	157,808		**226,622**	

The balance of contract assets was not past due at 30 June 2026 and 30 June 2025. The effective loss rate on contract assets was nil (2025: nil).

Loss allowance provision

The write down of trade receivables recognised during the year ended 30 June 2026 was nil (2025: nil).

The loss allowance provisions for trade receivables reconciles to the opening loss allowance provision as follows:

	June 2026 $'000	June 2025 $'000
Opening balance	-	(3,598)
(Increase)/decrease in loss allowance provision recognised in profit or loss	-	-
Reversal/(written off) of loss allowance provision	-	3,598
Closing balance	-	-

The loss allowance provision for contract assets was nil at 30 June 2026 and 30 June 2025.

Loss allowance provisions represent expected credit losses on amounts to be received. They have been determined based on specific circumstances and are not directly attributable to the ageing of receivables balances.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking reputational damage.

Group Treasury aims to ensure flexibility in liquidity by maintaining sufficient working capital and access to facilities.

Lines of credit

The Group maintains the following lines of credit:

- $47.0m overdraft facility not drawn down at balance date (2025: $47.0m). The facility does not have an expiry date but is reviewed annually by the provider. If drawn down, interest would be payable at the rate of the Bank Bill Swap Rate plus margin.
- $30.0m multi-option bank facility not drawn down at balance date (2025: $30.0m). The facility is reviewed annually by management and the provider. If drawn down, interest would be payable at the rate of the Bank Bill Swap Rate plus margin.
- $55.0m Transaction Negotiation Authority (TNA) facilities not drawn down at balance date (2025: $55.0m). The TNA facilities give the authority to process payment files up to a nominated amount, regardless of the related bank account balance. The facilities are reviewed annually by management and the provider. If drawn down, interest would be payable at the rate of the Bank Bill Swap Rate plus margin.
- $7.5m guarantee facility not drawn down at balance date (2025: $7.5m). $4.5m of guarantees are issued against the facility (2025: $3.4m). The facility is reviewed annually by management.
- $0.8m credit card facility, $0.2m drawn down at balance date (2025: $0.8m facility, $0.0m drawn down). The facility is reviewed annually by management.

The Group holds advance funding from the CoA under the SSTP Master Services Agreement. The SSTP advance funding at the end of the financial year was $7.0m (2025: $7.0m). The SSTP advance will be repaid in the next financial year, subsequent to the end of the contract term and the financial year true-up.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groups based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

	Less than 6 months $'000	6 - 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
At 30 June 2025							
Non-derivatives							
Trade and other payables	108,502	-	-	-	-	**108,502**	**108,502**
Lease liabilities	11,959	11,790	23,525	80,439	19,765	**147,478**	**126,778**
Advances	-	7,000	38,994	-	-	**45,994**	**45,994**
Non-interest-bearing	-	-	-	-	160	**160**	**135**
Total non-derivatives	**120,461**	**18,790**	**62,519**	**80,439**	**19,925**	**302,134**	**281,409**
At 30 June 2026							
Non-derivatives							
Trade and other payables	164,725	-	-	-	-	**164,725**	**164,725**
Lease liabilities	13,278	13,395	26,191	68,980	30,156	**152,000**	**130,810**
Advances	-	7,000	-	-	38,994	**45,994**	**45,994**
Non-interest-bearing	-	-	-	-	160	**160**	**136**
Total non-derivatives	**178,003**	**20,395**	**26,191**	**68,980**	**69,310**	**362,879**	**341,665**

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Foreign exchange risk

Fluctuations on foreign exchange rates for the Group are generally recoverable from their commercial and contractual arrangements. The consolidated entity did not have any outstanding foreign exchange contracts as at 30 June 2026 and 30 June 2025.

The carrying amounts of the Group's financial assets and liabilities are denominated in Australian dollars except as set out below. All figures are expressed in Australian dollars.

	June 2026				June 2025				
	USD	EUR	GBP	SEK	USD	EUR	GBP	NOK	SEK
Financial assets									
Cash and cash equivalents	15,429	8,000	7,162	1,517	3,081	14,114	1,965	-	3,960
Trade and other receivables	-	1,647	-	552	-	3,701	20	-	3,058
Financial liabilities									
Trade and other payables	1,209	644	1,252	1,935	1,147	2,191	549	18	3,059

Interest rate risk

As the Group holds term interest-bearing assets, the Group's income and operating cash flows are exposed to changes in market interest rates. The Group's investment policy permits investment in deposits with banks and securities issued by state governments or the CoA.

As a general rule, the Group holds these investments to maturity, thereby reducing exposure to changes in market value.

The Group's exposures to interest rate risk are set out below, along with the effective weighted average interest rates for classes of financial assets and liabilities:

	June 2026		June 2025	
	Gross carrying amount $'000	Effective interest rate	Gross carrying amount $'000	Effective interest rate
Financial assets				
Cash and cash equivalents	**470,327**	**3.61%**	190,909	4.14%
Other financial assets	**19,000**	**4.41%**	181,000	4.51%
Financial liabilities				
Lease liabilities	**130,810**	**4.65%**	126,778	4.54%
Non-interest bearing liabilities	**136**	**0.25%**	135	0.25%

The effective interest rate of the non-interest-bearing liabilities reflects the effective discount rate applied in calculating the liabilities' present value.

Sensitivity

At 30 June 2026, if market interest rates had a parallel shift of +75 basis points/-100 basis points from year-end rates, assuming all other variables held constant, equity and profit or loss would have increased (decreased) by the amounts shown below. The main interest rate risk arises from cash receivables and loans and other receivables with variable interest rates.

Summarised sensitivity analysis

	Impact on PAT		Impact on other equity	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Interest rates - increase by 75 basis points (2025: 75 bps)*	**4,651**	3,740	**-**	-
Interest rates - decrease by 100 basis points (2025: 100 bps)*	**(6,201)**	(4,987)	**-**	-

**Holding all variables constant.*

(d) Capital risk

The Group's objectives in managing capital are to safeguard the ability to continue as a going concern, such that the Group may continue to provide returns for the shareholder, benefits for other stakeholders and sustain future business development. The Group monitors the return on capital.

There were no changes in the Group's approach to capital risk management during the current year.

The financial undertakings in relation to the multi-option bank facility are as follows:

- interest coverage ratio to be greater than 3.5 times as at the end of the financial year;
- gearing ratio to be less than 50% as at the end of the financial year; and
- leverage ratio to be less than 3.5 times as at the end of the financial year.

The multi-option bank facility remained undrawn as at 30 June 2026 and 30 June 2025.

10. Interest in other entities

Material subsidiaries

The Company's principal subsidiaries at 30 June 2026 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business. All subsidiaries have reporting dates of 30 June.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group		Principal activities
		2026 %	2025 %	
ASC AWD Shipbuilder Pty Ltd	Australia	**100.0**	100.0	Operating under the MSO
ASC OPV Shipbuilder Pty Ltd	Australia	**100.0**	100.0	Subcontractor for Luerssen Australia, construction of two OPVs
Australian Submarine Corporation, LLC	US	**100.0**	100.0	Support with international activities aligned with AUKUS programs
Australian Submarine Corporation Limited	UK	**100.0**	100.0	Support with international activities aligned with AUKUS programs
ASC SSN-AUKUS Pty Ltd	Australia	**100.0**	100.0	Contract with the ASA in relation to the SSN-AUKUS mobilisation program
Deep Blue Tech Pty Ltd	Australia	**100.0**	100.0	Dormant

11. Commitments

(a) Capital expenditure commitments

	June 2026 $'000	June 2025 $'000
Property, plant and equipment and intangible assets	**6,857**	3,125

(b) Non-cancellable leases

	June 2026 $'000	June 2025 $'000
Non-cancellable future and short term value leases not provided for in the financial statements and payable		
Within one year	**248**	388
Later than one year but not later than five years	**90**	140
Later than five years	**-**	-
	338	528

(c) Other commitments

The Group has commitments for expenditure in respect of contracts with subcontractors for the supply of constituent elements required under the Group's contracts with the CoA. The final amount of these commitments is not quantifiable. The timing of the Group's commitments for this expenditure is matched by a corresponding receivable from the CoA. These future receivables are expected to exceed the maximum value of the commitments for expenditure.

12. Contingent liabilities

The Group has arranged for the issuance of a bank guarantee in favour of ReturnToWorkSA for the purpose of self-insurance under the *Return to Work Regulations 2015*; a bank guarantee in favour of the DoD for the purpose of a performance security deed for the Training Services Contract (TSC, for the delivery of RAN submarine crew training); and bank guarantees in favour of lessors for leased facilities. The total value of the Group's bank guarantees is $5.5m (2025: $4.9m). No liability has been recognised by the Group in relation to these guarantees. See note 9(b) for total available bank facilities.

The Group provided an indemnity to the CoA in relation to ASC AWD Shipbuilder Pty Ltd's obligations under the ASC MSO. The indemnity ceased in December 2025 and the Company has requested release from the CoA.

No losses are expected in relation to these guarantee arrangements.

13. Registered charges

The CoA holds a fixed charge over the moveable manufacturing plant and equipment owned by the Company in relation to the CCSM ISSC. The charge is held against contract default. There are currently no amounts owing to the CoA in relation to the charge. The carrying amount of the plant and equipment is $27.6m (2025: $24.1m).

14. Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

15. Economic dependency

During the years ended 30 June 2026 and 30 June 2025, the majority of the Group's revenues from contracts with customers were related to contracts with the CoA.

16. Related parties

(a) KMP compensation

The KMP compensation included in personnel expenses is as follows:

	June 2026 $'000	June 2025 $'000
Short-term employee benefits	**6,753**	6,397
Post-employment benefits	**404**	344
Other long-term benefits	**867**	668
	8,024	7,409

There were eighteen KMP during the current financial year (2025: 13).

(b) Loans to KMP

No loans were made available to KMP during the financial year (2025: nil).

(c) Other KMP transactions with the consolidated entity

There have been no transactions with KMP during the financial year (2025: nil).

(d) Subsidiaries

Interests in subsidiaries are set out in note 10.

(e) Directors

The following were directors of ASC Pty Ltd during the entire financial year up to the date of this report, unless otherwise noted:

- James White McDowell AO (appointed Non-Executive Director 1 September 2025 and Chair 1 January 2026)
- Bruce James Carter AO (ceased 31 December 2025)
- Dr Janis Louise Cocking PSM
- Debra Counsell (appointed 25 March 2026)
- Loretta Anne Reynolds (ceased 31 December 2025)
- Geoffrey Roland Rohrsheim
- Jonathan Peter Simcock (appointed 27 November 2025)
- Alice Morrice Williams
- Stuart Paul Whiley AM (ceased 2 January 2026)

(f) Other related parties

Australian Government ministers

There have been no transactions with any Australian Government ministers during the financial year (2025: nil).

Shareholders

In performing its contracts, the Group has transacted on normal commercial terms and conditions with its shareholder, the CoA and its related entities. The CoA is the ultimate parent entity.

(g) Transactions with other related parties

During the year, the amounts received or receivable by the consolidated entity from the CoA for various projects was $1,184.1m (2025: $950.8m).

Certain expenditure incurred by the Group on behalf of the shareholder has been recharged and will be settled in accordance with normal commercial terms and conditions.

(h) Balances with shareholders

The gross amounts receivable from the shareholders in relation to these transactions totalled $156.7m (2025: $222.3m).

(i) Advances from the CoA and its related parties

Government advances	June 2026 $'000	June 2025 $'000
Balance 1 July	**45,994**	45,994
Repayment of advances	**-**	-
Proceeds from advances	**-**	-
Advances reclassified due to milestone achievements	**-**	-
Advances receivable	**-**	-
	45,994	45,994

17. Parent entity financial information

(a) Material accounting policies – parent entity financial information

The financial information for the parent entity disclosed above has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

Financial guarantees

Where the parent entity has provided financial guarantees in relation to ASC subsidiaries' loans and payables for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the investment's cost.

(b) Summary financial information

The individual financial statements for ASC Pty Ltd (the Company or the parent entity) show the following aggregate amounts:

Balance sheet	June 2026 $'000	June 2025 $'000
Current assets	**663,685**	600,339
Non-current assets	**285,714**	281,713
Total assets	**949,399**	882,052
Current liabilities	**334,487**	252,488
Non-current liabilities	**165,703**	201,023
Total liabilities	**500,190**	453,511
Shareholders equity		
Share capital	**348,493**	274,859
Retained earnings	**100,716**	153,682
Total equity	**449,209**	428,541
Profit/(loss) after income tax	**(43,284)**	13,690
Other comprehensive income/(loss)	**(81)**	(41)
Total comprehensive income/(loss)	**(43,365)**	13,649

The parent entity made a 100% provision against intercompany loans to its subsidiary ASC AWD Shipbuilder Pty Ltd of $3.6m (2025: $5.3m).

(c) Guarantees entered into by the parent entity

The Company has arranged for the issuance of a bank guarantee in favour of ReturnToWorkSA for the purpose of self-insurance under the *Return to Work Regulations 2015*; a bank guarantee in favour of the DoD for the purpose of a performance security deed for the TSC; and bank guarantees in favour of lessors for leased facilities. The total value of the Company's bank guarantees is $5.5m (2025: $4.9m). No liability has been recognised by the Company in relation to these guarantees (see note 9(b) for total available bank facilities).

(d) Financial support by the parent entity

The Company has committed to provide financial support to the following subsidiaries to enable them to pay their debts as and when they become due and payable:

- ASC AWD Shipbuilder Pty Ltd;
- ASC OPV Shipbuilder Pty Ltd;
- ASC SSN-AUKUS Pty Ltd;
- Australian Submarine Corporation, LLC; and
- Australian Submarine Corporation Limited.

(e) Contingent liabilities of the parent entity

For information about contingent liabilities and guarantees entered into by the parent entity, see notes 12 and 17(c).

(f) Contractual commitments for the acquisition of property, plant and equipment

As at 30 June 2026, the parent entity had contractual commitments for the acquisition of property, plant and equipment and intangible assets totalling $6.9m (2025: $3.1m). These commitments are not recognised as liabilities, as the relevant assets have not yet been received.

18. Remuneration of auditors

During the year, the following fees were paid or payable to the Group's auditor.

(a) Audit services

	June 2026 $'000	June 2025 $'000
Audit and review of financial statements (RSM Australia contracted by ANAO)	**310**	289
Audit of subsidiary (RSM UK contracted by ASC Pty Ltd)	**76**	-
	386	289

(b) Other assurance services

	June 2026 $'000	June 2025 $'000
Agreed upon procedures - remuneration services (RSM Australia contracted by ANAO)	**27**	26
Limited assurance - Sustainability (RSM Australia contracted by ANAO)	**53**	-
Agreed upon procedures - climate related disclosures (RSM Australia contracted by ASC Pty Ltd)	**35**	-
	115	26

19. Going concern basis of preparation

The consolidated financial statements have been prepared on a going concern basis. The directors considered indicators that could cast significant doubt on the Company's ability to continue as a going concern, specifically the loss after income tax of ($41.8 million). Management has implemented actions such as equity funding for SSN Sustainment capability uplift and negotiating to extend commercial contracts for AUKUS programs (negotiations in progress), and have prepared forecasts for at least 12 months from the date of approval of these consolidated interim financial statements. Based on this assessment, the directors concluded that the Company will have sufficient resources to meet obligations and there are no material uncertainties that may cast significant doubt on its ability to continue as a going concern.

20. Summary of other material accounting policies

This note provides other material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in previous notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

ASC Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

ASC Pty Ltd
694 Mersey Road North
Osborne SA 5017

The consolidated financial statements for the year ended 30 June 2026 comprise of ASC Pty Ltd (the Company) and its subsidiaries (together referred to as the Group or the consolidated entity). The consolidated financial statements are presented in Australian dollars.

The consolidated financial statements were authorised for issue on 27 August 2026. The directors have the power to amend and reissue financial statements.

(a) Basis of preparation

These general-purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the AASB and the *Corporations Act 2001.* The Group is a for-profit entity for the purpose of preparing the consolidated financial statements.

The accounting policies have been applied consistently by all entities within the Group.

Compliance with International Financial Reporting Standards (IFRS)

The Group's consolidated financial statements comply with Australian Accounting Standards as issued by the AASB.

The statements also comply with IFRS, as issued by the International Accounting Standards Board.

Historical cost convention

These consolidated financial statements have been prepared under the historical cost basis, except for the following:

- financial assets and liabilities – measured at fair value; and
- retirement benefit obligations – plan assets measured at fair value.

Rounding of amounts

The Group is of a kind referred to in Instrument 2026/183, issued by ASIC, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with the Instrument, unless otherwise stated.

New Accounting Standards and Interpretations adopted

The Group has applied the following standards and amendments for the first time for its annual reporting period that commenced 1 July 2025:

- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*

The Group has adopted these amendments; there were no impacts on the Group as it only holds exchangeable, common currencies which are used in the ordinary course of business.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period that commenced 1 July 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 *Presentation and Disclosure in Financial Statements*

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 *Presentation of Financial Statements*, with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the consolidated financial statements. However, the standard will

affect presentation and disclosure in the consolidated financial statements, including introducing five categories in the Consolidated Statement of Profit or Loss and Other Comprehensive Income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as 'EBITDA' or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from the financial year ending 30 June 2028 and anticipates a significant change to the Consolidated Statement of Profit or Loss and Other Comprehensive Income's layout.

(b) Current and non-current classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when it is either:

- expected to be realised or intended to be sold or consumed in the Group's normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is either:

- expected to be settled in the Group's normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting period; or
- there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company (subsidiaries) during and up to the end of the reporting period.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the entity's activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Details of the subsidiaries are set out in note 10.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with Group policies.

(d) Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (unless otherwise stated), which is the Company's presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using either program-specific contract exchange rates or average exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges, or are attributable to part of the net investment in a foreign operation.

Foreign exchange differences arising in respect of contract work in progress, to the extent they are recoverable, are included in the measurement of the contract billings and work-in-progress costs. To the extent that they are not recoverable, foreign exchange gains and losses are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss; translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is only recognised in profit or loss if the foreign operation or net investment is disposed of.

(e) GST

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the asset's acquisition cost or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Consolidated Entity Disclosure Statement

Set out below is relevant information relating to entities that are consolidated in ASC Pty Ltd's consolidated financial statements at the end of the financial year, as required by the *Corporations Act 2001* (paragraph 295(3A)(a)).

As at 30 June 2026						
Name of entity	**Type of entity**	**Trustee, partner or participant of JV**	**% of share capital**	**Country of incorporation**	**Australian resident or foreign resident**	**Foreign jurisdiction of foreign resident**
ASC Pty Ltd	Body corporate	-	N/A	Australia	Australian	N/A
ASC AWD Shipbuilder Pty Ltd	Body corporate	-	100	Australia	Australian	N/A
ASC OPV Shipbuilder Pty Ltd	Body corporate	-	100	Australia	Australian	N/A
Australian Submarine Corporation, LLC	Body corporate	-	100	US	Both	US*
Australian Submarine Corporation Limited	Body corporate	-	100	UK	Both	UK*
ASC SSN-AUKUS Pty Ltd	Body corporate	-	100	Australia	Australian	N/A
Deep Blue Tech Pty Ltd	Body corporate	-	100	Australia	Australian	N/A

**In December 2024, the Australian Government enacted amendments to clarify Consolidated Entity Disclosure Statement (CEDS) disclosures for financial years commencing on or after 1 July 2024. The Amending Act mandates disclosure of whether each entity is an Australian tax resident and to list the foreign jurisdiction(s) of which each entity is also a tax resident. These entities are a tax resident in their respective countries of incorporation. However, they are also assessed as an Australian resident under the Income Tax Assessment Act 1936 and 1997. Accordingly, the CEDS discloses these entities are Australian tax residents and also lists the foreign jurisdiction of which they are also a tax resident.*

Basis of preparation

This CEDS has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the 30 June 2026 financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Disclosure of tax residency

Subsection 295(3A) of the *Corporations Act 2001* requires that the tax residency of each entity included in the CEDS be disclosed. In the context of an entity which is an Australian resident, 'Australian resident' has the meaning provided in the *Income Tax Assessment Act 1936* and *1997* (the Acts). Foreign incorporated companies can still be considered tax residents of Australia if their central management and control is in Australia. An entity can be both, an Australian tax resident under the Acts, and a tax resident in another foreign jurisdiction under that jurisdiction's tax law.

Where an entity is not an Australian tax resident but is a foreign tax resident based on the Australian domestic law definition, then each foreign country in which the entity is a tax resident (as determined under the law of foreign jurisdictions) must be disclosed. However, where an entity is both an

Australian tax resident and a tax resident of a foreign jurisdiction, the CEDS must disclose that the entity is an Australian tax resident and list any foreign jurisdictions where the entity is also a tax resident.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: The consolidated entity has applied current legislation and legal precedent, including having regard to the Commissioner of Taxation's public guidance in *Taxation Ruling TR 2018/5 Income tax: central management and control test of residency.*
- Foreign tax residency: The consolidated entity has applied current legislation and legal precedent in the determination of foreign residency.





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Index of PGPA requirements

Index of PGPA requirements

PGPA Rule reference	Page(s) of report	Description	Requirement
28E		**Contents of annual report**	Mandatory
28E(a)	9-11	The purposes of the company as included in the company's corporate plan for the reporting period	Mandatory
28E(aa)	21-23, 25, 29, 33, 35, 45, 55, 56, 69, 100-105	The results of a measurement and assessment of the company's performance during the reporting period, including the results of a measurement and assessment of the company's performance against any performance measures and any targets included in the company's corporate plan for the reporting period	Mandatory
28E(b)	9	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
28E(c)	81	Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period	If applicable, mandatory
28E(d)	N/A	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(e)	N/A	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(f)	76-78	Information on each director of the company during the reporting period	Mandatory
28E(g)	75	An outline of the organisational structure of the company (including any subsidiaries of the company)	Mandatory
28E(ga)	69	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (a) statistics on full time employees; (b) statistics on part time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
28E(h)	21-23, 25, 29	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Mandatory
28E(i)	81-84	Information in relation to the main corporate governance practices used by the company during the reporting period	Mandatory

PGPA Rule reference	Page(s) of report	Description	Requirement
28E(j), 28E(k)	**85**	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than $10,000 (inclusive of GST): (a) the decision-making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	**If applicable, mandatory**
28E(l)	**100-105**	Any significant activities or changes that affected the operations or structure of the company during the reporting period	**If applicable, mandatory**
28E(m)	**N/A**	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company	**If applicable, mandatory**
28E(n)	**106, 108-110**	Particulars of any reports on the company given by: (a) the Auditor General, or (b) a Parliamentary Committee, or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner; or (e) the Australian Securities and Investments Commission	**If applicable, mandatory**
28E(o)	**N/A**	An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report	**If applicable, mandatory**
28E(oa)	**92-94**	Information about executive remuneration	**Mandatory**
28E(ob)	 **83** **80** **76-78** **80-81** **90-91**	The following information about the audit committee for the company: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	**Mandatory**

PGPA Rule reference	Page(s) of report	Description	Requirement
28F		**Disclosure requirements for GBEs**	
28F(1)(a)(i)	**100-105**	An assessment of significant changes in the company's overall financial structure and financial conditions	**If applicable, mandatory**
28F(1)(a)(ii)	**100-105**	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition	**If applicable, mandatory**
28F(1)(b)	**103, 113, 114**	Information on dividends paid or recommended	**If applicable, mandatory**
28F(1)(c)	**N/A**	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	**If applicable, mandatory**
28F(2)	**N/A**	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	**If applicable, mandatory**





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Corporate directory

Corporate directory

Directors

Jim McDowell AO
Chair

Geoff Rohrsheim

Dr Janis Cocking PSM

Alice Williams

Jonathan Simcock

Debra Counsell

CEO

Alex Walsh

Company Secretary

Ivan Witt

Auditors

ANAO and RSM
(subcontractor auditor for ANAO)

Bankers

Westpac Banking Corporation

ASC North

(Registered and Head Office)
694 Mersey Road North
Osborne SA 5017

Postal address

GPO Box 2472
Adelaide SA 5001

Phone +61 8 8348 7000

ASC West

20 Nautical Drive
Henderson WA 6166

Postal address

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Website

ASC's Annual Reports can be found at:

asc.com.au

Find ASC on


COMMIT
TO SAFETY
AND QUALITY

RETURN TO CONTENTS

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