

Interim Financial Report

for the half year ended 31 December 2024

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Directors' Report

The Directors present their report together with the Consolidated Interim Financial Report for the six months ended 31 December 2024 and the Independent Review Report thereon.

Directors

The Directors of Southern Cross Electrical Engineering Limited ("SCEE Group" or "the Company") during the interim period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Non-executive Directors

Mr Karl Paganin (Chairman)

Mr Simon Buchhorn

Mr Paul Chisholm

Mr Michael McNulty (appointed 1 September 2024)

Mr Derek Parkin (resigned 1 September 2024)

Executive Directors

Mr Graeme Dunn (Managing Director)

Review of operations

Financial Results

The group delivered record half year revenue of \$397.4m, up 55.5% on the prior corresponding period revenue of \$255.5m.

Revenue contribution by sector was as follows:

- Infrastructure – revenue for the period was \$251.7m, up 142.5% from \$103.8m in the prior corresponding period, and was again the largest sector contributing 63.3% of total revenue. The Collie Battery Energy Storage System ("CBESS") project in Western Australia, initially announced in May 2024 and with over \$200m of work now awarded, is at peak levels of activity and is progressing well and on schedule. Other significant revenue contributors in the period were Western Sydney International Airport, the Shoalhaven Hospital Redevelopment project and various Data Centres including NEXTDC SYD03 Artarmon.
- Commercial – revenue for the period was \$79.9m, compared to \$78.9m in the prior corresponding period. Key contributors in the current period were ongoing works for Coles and Woolworths by Trivantage's national supermarket services business and Heyday's various projects across NSW and ACT including the Pitt Street Sydney Metro station commercial and residential towers.
- Resources – revenue for the period was \$65.8m, compared to \$72.8m in the prior corresponding period. SCEE Electrical has various ongoing works for BHP, Rio Tinto and Sino Iron and SEME Solutions continues to provide mine site and villages security upgrades.

Gross profit for the period of \$50.6m was a record half year result and was up 34.2% on the prior corresponding period gross profit of \$37.7m. The gross margin percentage for the period was down 2.0% to 12.7% compared to the prior corresponding period at 14.7%. Included in gross margin in the half year was \$3.0m of legal costs relating to the WestConnex arbitration which was announced to the ASX in December. The commercial building

project mix in the period was comprised almost entirely of less profitable base-building works rather than a more usual blend with more profitable fit-out works which also suppressed average margins.

Overheads of \$24.0m were 6.0% as a percentage of revenue compared to 8.2% in the prior corresponding period and demonstrates the group's ability to efficiently support significant increases in activity levels.

Record EBITDA for the period of \$27.1m was up 58.5% on the prior corresponding period. Record EBIT of \$23.2m was up 73.7%.

Net profit after tax of \$16.2m was also a record half year result and was up 67.8% on the prior corresponding period.

EBIT and NPAT both included \$1.1m amortisation of acquired intangibles consistent with the prior corresponding period.

The Board has declared a fully franked interim dividend of 2.5 cents per share, an increase of 150% on the prior year interim dividend. The interim dividend will be paid on 9 April 2025.

The cash balance at 31 December 2024 was a record \$114.8m, up 36.5% on the record 30 June 2024 balance. Outflows in the period included a record \$12.7m dividend pay-out, tax payments of \$16.0m and a deferred consideration payment of \$1.0m in respect of the MDE acquisition which is performing to expectations. The closing cash balance includes \$20m of advance payments on the CBESS project that remained on the balance sheet at period end and will unwind in future periods.

The group remains debt free.

On 2 December 2024 SCEE Group subsidiary Heyday submitted a Notice of Arbitration and Statement of Claim claiming against the CPB Dragados Samsung Joint Venture for additional costs incurred in performing its works on the WestConnex M5 motorway tunnel project in Sydney. SCEE had initially anticipated this matter would be resolved within this financial year, however a timetable has subsequently been set such that this matter is now unlikely to be resolved within this financial year but is expected to be resolved within this calendar year.

Health and Safety

Delivering our work safely is our highest priority and we are extremely proud of our strong safety culture. We were Lost Time Injury ("LTI") free across the group's operations for the fifth consecutive half year. This represented over 1.6 million manhours LTI-free in the period.

Outlook

The group reiterates its guidance of FY25 EBITDA of at least \$53m with expectations of further growth in FY26 onwards.

The order book at 31 December 2024 was \$670m, up 21.8% on the prior corresponding period. Infrastructure continues to comprise the largest component of the order book at 70%. Notable awards in the period included the CBESS Switchyard package, further works at the NEXTDC SYD03 Artarmon data centre, a substation package at the Alkimos desalination plant in WA and the Shellharbour Hospital project in NSW which at over \$60m is the group's largest ever hospital award. Trivantage Manufacturing received multiple orders to provide products for the Western Harbour Tunnel in Sydney and the North East Link in Melbourne and had a record order book at period end.

Our growth forecasts are underpinned by our strong exposure to the three structural tailwinds of infrastructure, the growth in Data Centre construction and the electrification of the economy.

The infrastructure market is a very wide sector for SCEE and spans federal, state, and private investment in transport (road, rail, airports, ports), defence, Data Centres, education, agriculture, water, energy, renewables, utilities, health and aged care. Outside of the Data Centre and renewables markets discussed further below, there

are a number of particularly strong infrastructure opportunities for the group.

In healthcare we are delivering the Shoalhaven Hospital Redevelopment Project, which is expected to be completed this calendar year, and the new Shellharbour Hospital which is expected to be completed in mid-2027. We are positioning for multiple major hospital developments presenting in NSW and ACT in the medium-term.

The Western Sydney International Airport terminal project for Multiplex is now ramping down. Tendering is currently in progress on the Command Centre and the Canine Centre packages and we are expecting a long-term pipeline of works with further airport expansion and in the surrounding Aerotropolis region.

In the transport sector we are targeting further work on the Sydney Metro programme including the airport line and Sydney West Station developments having completed the Pitt Street Metro Station during the period. Trivantage Manufacturing is supplying products for multiple transport developments in NSW and Victoria.

The Data Centre sector is showing exponential growth driven by cloud computing and AI developments. Data Centres are electrically dense, with electrical work comprising the largest component of construction cost. SCEE Group businesses have worked on Data Centre projects for over twenty years and have multiple touch points into the sector, particularly Heyday's strong position in general construction and Trivantage Manufacturing building and supplying electrical equipment.

The group's Data Centre revenues have grown strongly in recent years from an average of \$20m per annum in FY19 to FY23, increasing to \$50m in FY24 and we are now forecasting \$120m in FY25. Over \$60m of Data Centre awards were announced in the first half and we are currently tendering on or positioning for over \$500m of work to be awarded in the next two years for extensions at existing or new builds of multiple Data Centres.

Australia is undergoing an energy transition requiring the electrification of many activities in the coming decades. SCEE offers services across a huge range of electrification initiatives including decarbonising our client's operations, helping meet the demand for products required for decarbonisation and the movement to sustainable buildings with environment initiatives expected to become supercharged in the coming years in order to comply with building codes and sustainability standards.

The transition of Australia's electricity supply requires investment in renewables supported by battery storage and grid configuration. SCEE Group is well credentialled to participate in this thematic having delivered multiple solar farms, wind farms and Battery Energy Storage Systems. The CBESS project will continue at high activity levels in the second half and we are tendering for other battery developments across Australia.

Strategy

SCEE Group primarily sees itself as an electrical contractor diversified across the resources, commercial and infrastructure markets.

Our growth strategy continues to be to deepen our presence in those sectors and broaden our geographic diversity through expanding our core competencies and adding adjacent and complementary capabilities, either organically or by acquisition.

We are increasing our exposure to services and maintenance style works with recurring revenues tripled since FY18.

We are actively exploring a range of acquisition targets offering further geographic diversification and new capabilities.

The electrification of the Australian and global economies presents SCEE with opportunities across all its operations.

Dividend

The Directors have declared a fully franked interim dividend for the six months ended 31 December 2024 of 2.5 cent per share (31 December 2023: 1.0 cent per share).

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated interim financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 19 and forms part of the directors' report for the six months ended 31 December 2024.

Signed in accordance with a resolution of the directors:



Karl Paganin

Chairman

Perth

18 February 2025

Consolidated Statement of Comprehensive Income

	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Contract revenue		397,411	255,548
Contract expenses		(346,851)	(217,883)
Gross profit		50,560	37,665
Other income		503	322
Employee benefits expenses		(14,090)	(11,836)
Occupancy expenses		(1,737)	(1,578)
Administration expenses		(6,418)	(5,656)
Other expenses		(1,736)	(1,826)
Depreciation expense		(1,484)	(1,459)
Right-of-use asset amortisation expense		(1,389)	(1,243)
Other amortisation expenses		(1,057)	(1,057)
Profit from operating activities		23,152	13,332
Finance income	7	1,407	1,306
Finance expense	7	(1,227)	(774)
Net finance income/(expense)	7	179	532
Profit before income tax		23,331	13,864
Income tax expense		(7,153)	(4,220)
Profit after income tax for the period		16,178	9,644
Other comprehensive income		-	-
Other comprehensive income net of income tax		-	-
Total comprehensive income for the period		16,178	9,644
Attributable to			
Owners of the Company		16,178	9,644
Earnings per share			
- Basic earnings per share (cents per share)		6.13	3.67
- Diluted earnings per share (cents per share)		6.09	3.66

Consolidated Statement of Financial Position

	Note	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Assets			
Current Assets			
Cash and cash equivalents		114,795	84,083
Trade and other receivables	8	120,432	137,554
Inventories		1,430	1,966
Prepayments		4,051	3,412
Total current assets		240,708	227,015
Non-current assets			
Property, plant and equipment		12,500	10,909
Right-of-use assets		7,098	7,665
Intangible assets		115,049	116,085
Deferred tax asset		5,141	3,082
Total non-current assets		139,788	137,741
Total assets		380,496	364,756
Liabilities			
Current liabilities			
Trade and other payables	9	147,142	129,235
Provisions		23,771	21,186
Deferred acquisition consideration	15	1,522	1,000
Lease liability		4,538	3,564
Tax payable		2,331	9,078
Total current liabilities		179,304	164,063
Non-current liabilities			
Lease liability		3,013	4,532
Provisions		1,622	2,264
Deferred acquisition consideration		1,325	2,736
Total non-current liabilities		5,960	9,532
Total liabilities		185,264	173,595
Net assets		195,232	191,161
Equity			
Share capital		118,721	117,554
Reserves		119	193
Retained earnings		76,392	73,414
Total equity		195,232	191,161

Consolidated Statement of Changes in Equity

	Note	Share Capital \$'000	Retained Earnings \$'000	Share Based Payments Reserve \$'000	Translation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2024		117,554	73,414	707	(514)	191,161
Total comprehensive income for the period						
Profit for the period		-	16,178	-	-	16,178
Total comprehensive income		-	16,178	-	-	16,178
Equity transactions with owners:						
Dividends	13	-	(13,200)	-	-	(13,200)
Dividend re-investment and share placements, net	13	478	-	-	-	478
Performance rights exercised in shares (net of tax)		689	-	(279)	-	410
Equity-settled share-based payments	11	-	-	205	-	205
Total transactions with owners		1,167	(13,200)	(74)	-	(12,107)
Balance as at 31 December 2024		118,721	76,392	633	(514)	195,232

	Note	Share Capital \$'000	Retained Earnings \$'000	Share Based Payments Reserve \$'000	Translation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2023		116,651	64,637	1,325	(514)	182,099
Total comprehensive income for the period						
Profit for the period		-	9,644	-	-	9,644
Total comprehensive income		-	9,644	-	-	9,644
Equity transactions with owners:						
Dividends	13	-	(10,507)	-	-	(10,507)
Dividend re-investment and share placements, net	13	346	-	-	-	346
Performance rights exercised in shares (net of tax)		452	-	(458)	-	(6)
Performance rights for cash in lieu of shares (net of tax)		-	-	(213)	-	(213)
Equity-settled share-based payments	11	-	-	375	-	375
Total transactions with owners		798	(10,507)	(296)	-	(10,005)
Balance as at 31 December 2023		117,449	63,774	1,029	(514)	181,738

Consolidated Statement of Cash Flows

	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Cash flows from operating activities			
Cash receipts from customers		469,189	278,984
Cash paid to suppliers and employees		(404,669)	(258,284)
Interest received		1,407	1,306
Interest paid		(935)	(746)
Income taxes paid		(15,959)	(13,552)
Net cash from operating activities	10	49,033	7,708
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	15	(1,000)	(7,333)
Acquisition of property, plant and equipment		(2,985)	(1,535)
Proceeds from the sale of assets		54	76
Net cash used in investing activities		(3,931)	(8,792)
Cash flows from financing activities			
Dividends paid	13	(12,722)	(10,158)
Principal portion of lease liability payments		(1,389)	(1,215)
Performance rights exercised for cash in lieu of shares		(279)	(213)
Net cash used in financing activities		(14,390)	(11,586)
Net increase/(decrease) in cash and cash equivalents		30,712	(12,670)
Cash and cash equivalents at 1 July		84,083	77,652
Cash and cash equivalents at 31 December		114,795	64,982

Notes to the Consolidated Interim Financial Statements

1. Reporting entity

Southern Cross Electrical Engineering Limited (the “Company”) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2024 comprises the Company and its subsidiaries (together referred to as the “Group”).

The consolidated annual financial report of the Group as at and for the year ended 30 June 2024 is available upon request from the Company’s registered office at 225 St Georges Terrace, Perth, Western Australia or at www.scee.com.au.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2024.

The consolidated interim financial report was approved by the Board of Directors on 18 February 2025.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors’ Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated interim financial report and directors’ report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2024.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2024. The Group did not early adopt any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group did not adopt any new and/or revised standards, amendments or interpretations from 1 July 2024 which had a material effect on the financial position or performance of the Group.

5. Financial risk management

During the six months ended 31 December 2024 the Group’s financial risk management objectives and policies were consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2024.

6. Segment reporting

Revenue is principally derived by the Group from the provision of electrical services through construction and services contracts to customers in the following sectors: Commercial, Resources and Infrastructure. The Group provides its services through the three key segments of SCEE, Heyday, and Trivantage.

The directors believe that the aggregation of the operating segments is appropriate as they:

- have similar economic characteristics;
- perform similar services using similar business processes;
- provide their services to a similar client base;
- have a centralised pool of shared assets and services; and
- operate in similar regulatory environments.

All segments have therefore been aggregated to form one operating segment.

7. Finance income and expenses

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Interest income on bank deposits	1,407	1,306
Finance income	1,407	1,306
Bank charges	(357)	(256)
Bank guarantee and surety bond fees	(331)	(240)
Interest expense on deferred consideration	(111)	(28)
Interest expense on borrowings	(41)	(31)
Remeasurement of cash-settled share-based payment	(181)	-
Lease liability interest	(206)	(219)
Finance expenses	(1,227)	(774)
Net finance income (expense)	179	532

8. Trade and other receivables

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Trade receivables	47,215	49,607
Sundry debtors	320	768
Provision for impairment of trade receivables	(616)	(637)
Contract assets (i)	73,394	87,722
Retentions	119	94
	120,432	137,554

- (i) Contract assets represents the unbilled amount expected to be collected from customers for contract work performed to date. Cost includes all expenditure related directly to specific projects. Recognised profit is based on the percentage of completion method and is determined using the costs incurred to date and the total forecast contract costs.

8. Trade and other receivables (continued)

The timing of cash inflows for contract assets is dependent on the status of processes underway to gain acceptance from customers as to the enforceability of recognised modifications resulting from contractual claims and variations. The Group pursues various options with customers to accelerate the inflow of cash including, but not limited to, negotiations, security of payment adjudications and arbitration involving the support of legal counsel and external consultants. Accordingly, there remains a risk that settlement of contract assets takes longer than 12 months. In accordance with its accounting policies, the Group has previously recognised revenue in relation to such contracts, applying constraint, and the Group has reviewed the balance at 31 December 2024. The amount is included within contract assets.

9. Trade and other payables

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Trade payables	40,295	56,577
Contract liabilities (i)	63,715	49,226
Accrued expenses	37,873	20,475
Goods and services tax payable	4,871	2,387
Retentions payable	388	570
	147,142	129,235

(i) Contract liabilities represents unearned revenue which arises when the Group has invoiced the client in advance of performing the contracted services. Contract liabilities fluctuate based on progress of completion of contracts.

10. Reconciliation of cash flows from operating activities

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Profit after income tax for the period	16,178	9,644
Adjustments for:		
Depreciation and amortisation	3,930	3,759
Profit on sale of assets	(87)	(26)
Share-based payment expense	464	375
Remeasurement of cash-settled share-based payment	181	-
Changes in assets and liabilities:		
Change in trade and other receivables	17,090	(3,135)
Change in inventories	535	(285)
Change in prepayments	(638)	684
Change in trade and other payables	17,628	4,743
Change in provisions and employee benefits	2,447	1,254
Change in deferred consideration	111	28
Change in income tax payable	(6,747)	(8,226)
Change in deferred income tax	(2,059)	(1,107)
Net cash from operating activities	49,033	7,708

11. Share based payments

During the six-month period ended 31 December 2024, the Company issued a total of 656,314 performance rights in respect of the 2024 financial year. The Performance Rights issued, under the Company's Senior Management Long Term Incentive Plan, vest over the period to 30 June 2027. The performance rights were issued on 31 October 2024 and have a fair value at grant date of \$0.64 and \$1.44 for the TSR and EPS components, respectively. The fair value of the TSR Performance rights has been measured using the Monte-Carlo simulation while the EPS Performance rights has been measured using the Binomial Tree methodology.

Up to 50% of the Performance Rights can be settled in cash. Accordingly, 50% of the Performance Rights are accounted for as equity-settled share-based payment arrangements, and 50% of the Performance Rights are accounted for as cash-settled share-based payment arrangements.

The movement in share-based payments reserve during the period reflects the amounts expensed in respect of equity-settled Performance Rights of \$205,000 and exercised rights of \$279,000.

The cash-settled share-based payment expense for the period was \$259,000. In addition, there was a remeasurement of the cash-settled share-based payment provision at 31 December 2024 of \$181,000.

12. Related parties – Key management personnel

The share-based payments disclosed in note 11 included the rights issues to key management personnel during the six months ended 31 December 2024. Graeme Dunn was issued 365,558 Performance Rights and Chris Douglass was issued 218,605 Performance Rights.

The Performance Rights issued to Graeme Dunn were approved by shareholders at the Company's Annual General Meeting on 29 October 2024.

Other arrangements with related parties continue to be in place on the same basis as at 30 June 2024. For full disclosure on these transactions, refer to the 30 June 2024 annual financial report.

13. Dividends

The following dividends were declared and paid by the Company:

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Final 2024 ordinary fully franked at 5.00 cents per share	13,200	-
Final 2023 ordinary fully franked at 4.00 cents per share	-	10,507

14. Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Credit facilities utilised		
Bank Guarantees and surety bonds	112,547	94,130

15. Deferred acquisition consideration

The group holds deferred acquisition consideration liabilities of \$2,847,000 (30 June 2024: \$3,736,000) relating to the acquisition of MDE Group in 2024.

The reduction in the period of \$889,000 of deferred acquisition consideration liabilities included a reduction of \$1,000,000 for the first payment of deferred acquisition consideration and an increase of \$111,000 for the unwinding of the deferred consideration interest discount.

16. Expedited arbitration proceedings

On 2 December 2024 Southern Cross Electrical Engineering Limited's ("SCEE") subsidiary, Heyday, submitted a Notice of Arbitration and Statement of Claim claiming against the CPB Dragados Samsung Joint Venture for additional costs incurred in performing its works on the WestConnex M5 motorway tunnel project in Sydney.

The arbitration is conducted pursuant to the Australian Centre for International Commercial Arbitration Expedited Arbitration Rules 2021. SCEE had initially anticipated this matter would be resolved within this financial year, however a timetable has subsequently been set such that this matter is now unlikely to be resolved within this financial year but is expected to be resolved within this calendar year.

17. Events after the balance sheet date

There have been no events after the balance sheet date that have a material impact on the financial report.

Directors' Declaration

In the opinion of the directors of Southern Cross Electrical Engineering Limited ("the Company"):

1. the financial statements and notes set out on pages 7 to 15, are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the six month period ended on that date; and
 - b. complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Karl Paganin

Chairman

Perth

18 February 2025



Independent Auditor's Review Report

To the shareholders of Southern Cross Electrical Engineering Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Southern Cross Electrical Engineering Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Southern Cross Electrical Engineering Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2024 and of its performance for the Half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2024;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 16 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Southern Cross Electrical Engineering Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year Period.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

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

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibilities for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized blue ink signature of the KPMG firm, written in a cursive-like font.

KPMG

A blue ink signature of R Gambitta, written in a cursive-like font.

R Gambitta

Partner

Perth

18 February 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Southern Cross Electrical Engineering Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Southern Cross Electrical Engineering Limited for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG.

A handwritten signature in blue ink, appearing to read 'R Gambitta', with a stylized flourish at the end.

KPMG

R Gambitta

Partner

Perth

18 February 2025